UNITEDHEALTH GROUP INC
Form S-4/A
January 07, 2004
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As filed with the Securities and Exchange Commission on January 7, 2004 **Registration No. 333-110356**

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 2

TO

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

UNITEDHEALTH GROUP INCORPORATED

(exact name of registrant as specified in its charter)

Minnesota	**6324**	**41-1321939**
(state or other jurisdiction of organization)	(primary standard industrial classification code number)	(IRS employer identification no.)

UNITEDHEALTH GROUP CENTER

9900 BREN ROAD EAST

MINNETONKA, MINNESOTA 55343

(952) 936-1300

(address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

David J. Lubben, Esq.

General Counsel

UnitedHealth Group Incorporated

UnitedHealth Group Center

9900 Bren Road East

Minnetonka, Minnesota 55343

(952) 936-1300

(name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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APPROXIMATE DATE OF COMMENCEMENT OF THE PROPOSED SALE TO THE PUBLIC: At the effective time of the merger of Mid Atlantic Medical Services, Inc. with and into a direct wholly owned subsidiary of the Registrant, which shall occur as soon as practicable after the effective date of this Registration Statement and the satisfaction or waiver of all conditions to closing of such merger.

If the only securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to such Section 8(a), may determine.

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Subject to completion, dated , 2004

The information in this proxy statement/prospectus is not complete and may be changed. UnitedHealth Group may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Dear MAMSI Stockholders:

You are cordially invited to attend a special meeting of stockholders of Mid Atlantic Medical Services, Inc., referred to as MAMSI, which will be held on , 2004 beginning at 10:00 a.m. local time at MAMSI s offices at 10 Taft Court, Rockville, Maryland 20850. At the special meeting, MAMSI s stockholders will be asked to adopt the merger agreement that MAMSI has entered into with UnitedHealth Group Incorporated and MU Acquisition LLC, a wholly owned subsidiary of UnitedHealth Group, pursuant to which the business of MAMSI will be continued by a wholly owned subsidiary of UnitedHealth Group.

As a result of the merger, MAMSI will become part of a combined company that is a national leader in forming and operating markets for the delivery of health and well-being services. Following the merger, MAMSI stockholders are expected to own in the aggregate approximately % of the combined company. By becoming part of a much larger health and well-being company, MAMSI s ability to market its services and expand its business is expected to be greatly enhanced. Upon completion of the merger, it is anticipated that MAMSI s operations will be integrated with those of UnitedHealth Group s Health Care Services unit and that MAMSI will continue to operate from our offices in Maryland.

In the merger, each share of your MAMSI common stock will be exchanged for 0.82 shares of UnitedHealth Group common stock and $18.00 in cash, referred to as the merger consideration. The cash component of the merger consideration could be decreased and the stock component increased if required to preserve the intended treatment of the merger for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as explained under the caption The Merger Agreement Tax Adjustment beginning on page of this proxy statement/prospectus. Assuming the merger so qualifies as a reorganization, a MAMSI stockholder generally will, for U.S. federal income tax purposes, recognize gain, but not loss, equal to the lesser of (i) the excess, if any, of the fair market value of the UnitedHealth Group common stock and the amount of cash received by the stockholder over that stockholder s adjusted tax basis in the MAMSI common stock exchanged in the merger or (ii) the amount of cash received by the stockholder in the merger; this treatment may not apply to all MAMSI stockholders. For further information concerning U.S. federal income tax consequences of the merger, please see Material U.S. Federal Income Tax Consequences of the Merger beginning on page of this proxy statement/prospectus. The UnitedHealth Group common stock is listed on the New York Stock Exchange, Inc., referred to as the New York Stock Exchange, under the symbol UNH and the MAMSI common stock is listed on the New York Stock Exchange under the symbol MME. The last reported sale price of UnitedHealth Group common stock on the New York Stock Exchange was on , 2004. **The value of the merger consideration to be received by MAMSI stockholders will fluctuate with changes in the price of UnitedHealth Group s common stock if the price of UnitedHealth Group s common stock decreases, the value of the merger consideration decreases. There can be no assurance as to the market price of the UnitedHealth Group common stock at any time prior to the completion of the merger or at any time thereafter.** Stockholders are urged to obtain current market quotations for UnitedHealth Group common stock and MAMSI common stock.

Our board of directors has reviewed and considered the terms of the merger and the merger agreement and has unanimously determined that the proposed merger is advisable, fair to and in the best interests of, MAMSI and its stockholders and unanimously recommends that you vote FOR the adoption of the merger agreement.

Lehman Brothers Inc. and Houlihan Lokey Howard & Zukin Financial Advisors, Inc. have each rendered written opinions to our board of directors, each dated October 26, 2003, to the effect that, as of that date and based upon and subject to the matters stated in such opinions, the consideration to be received by our stockholders under the merger agreement is fair, from a financial point of view, to our stockholders. The written opinions of Lehman Brothers and Houlihan Lokey have been attached as Annexes B-1 and B-2 to the proxy statement/prospectus and you should read them carefully in their entirety.

Only stockholders who hold shares of MAMSI common stock at the close of business on , 2004 will be entitled to vote at the special meeting. If the merger agreement is adopted by the MAMSI stockholders, the parties intend to close the merger shortly after the special meeting and after all of the conditions to closing the merger are satisfied.

The proxy statement/prospectus provides you with detailed information concerning UnitedHealth Group, MAMSI and the merger. Please give all of the information contained in the proxy statement/prospectus your careful attention. **In particular, you should carefully consider the discussion in the section entitled Risk Factors beginning on page [ ] of this proxy statement/prospectus.**

YOUR VOTE IS VERY IMPORTANT. MAMSI cannot complete the proposed merger unless the merger agreement is adopted by the affirmative vote of holders of a majority of the shares of MAMSI common stock outstanding on the close of business on , 2004. Whether or not you plan to attend the special meeting, please complete, sign, date and promptly return the accompanying proxy in the enclosed postage paid envelope. You may also vote your shares by telephone, using a toll-free number, or the Internet. Your proxy card contains instructions for using these convenient services. Returning the proxy does not deprive you of your right to attend our special meeting. If you decide to attend our special meeting and wish to change your proxy vote, you may do so by voting in person at the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote in person at the special meeting, you must obtain from the record holder a proxy issued in your name.

TO ADOPT THE MERGER AGREEMENT, YOU MUST VOTE FOR THE PROPOSAL BY FOLLOWING THE INSTRUCTIONS STATED ON THE ENCLOSED PROXY CARD. IF YOU DO NOT VOTE AT ALL, YOU WILL, IN EFFECT, HAVE VOTED AGAINST THE PROPOSAL.

If the merger is completed, you will be sent written instructions for exchanging your certificates of MAMSI common stock for UnitedHealth Group common stock and the cash payment. Please do not send in your certificates until you have received these instructions.

On behalf of the MAMSI board of directors, I thank you for your support and urge you to VOTE FOR ADOPTION of the merger agreement.

Sincerely,

Mark D. Groban, M.D.

Chairman of the Board of Directors

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the shares of UnitedHealth Group common stock to be issued in the merger, or determined if the proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The date of this proxy statement/prospectus is , 2004.

This proxy statement/prospectus and the form of proxy are first being mailed to the stockholders of MAMSI on or about , 2004.

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MID ATLANTIC MEDICAL SERVICES, INC.

4 Taft Court

Rockville, Maryland 20850

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON , 2004

To MAMSI Stockholders:

Notice is Hereby Given, that we will hold a special meeting of stockholders of Mid Atlantic Medical Services, Inc., a Delaware corporation, which is referred to as MAMSI, at 10:00 a.m., local time, on , 2004 at MAMSI s offices located at 10 Taft Court, Rockville, Maryland 20850, for the following purposes:

1. To consider and vote on a proposal to adopt the Agreement and Plan of Merger by and among UnitedHealth Group Incorporated, MU Acquisition LLC, and MAMSI, dated October 26, 2003, which is referred to as the merger agreement in the enclosed documents, pursuant to which MAMSI will merge with and into MU Acquisition LLC, and MAMSI will become a wholly owned subsidiary of UnitedHealth Group, referred to as the merger. Each outstanding share of MAMSI common stock will be converted into the right to receive 0.82 shares of UnitedHealth Group common stock and $18.00 in cash. The cash component of the merger consideration could be decreased and the stock component increased if required to preserve the intended treatment of the merger for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as explained under the caption The Merger Agreement Tax Adjustment beginning on page of the attached proxy statement/prospectus.

2. To consider and vote on a proposal to authorize the proxies to vote to adjourn or postpone the special meeting, in their sole discretion, for the purpose of soliciting additional votes for the adoption of the merger agreement.

3. To transact such other business as may properly come before the special meeting.

We describe the merger and the merger agreement more fully in the proxy statement/prospectus attached to and forming part of this notice. You are encouraged to read the entire document carefully. As of the date of this notice, MAMSI s board of directors knows of no other business to be conducted at the special meeting.

Only stockholders of record of MAMSI common stock at the close of business on , 2004 are entitled to notice of, and will be entitled to vote at, the special meeting or any adjournment or postponement. Adoption of the merger agreement will require the affirmative vote of MAMSI stockholders representing a majority of the outstanding shares of MAMSI common stock entitled to vote at the special meeting.

Authorizing the proxies to vote to adjourn or postpone the special meeting for the purpose of soliciting additional votes for the adoption of the merger agreement will require the affirmative vote of MAMSI stockholders representing a majority of the shares of MAMSI common stock present and entitled to vote at the special meeting.

MAMSI stockholders have the right to dissent from the merger and obtain payment in cash of the fair value of their shares of common stock under applicable provisions of Delaware law. In order to perfect dissenters rights, stockholders must give written demand for appraisal of their shares before the taking of the vote on the merger at the special meeting and must not vote in favor of the merger. A copy of the applicable Delaware statutory provision is included as Annex C to the attached proxy statement/prospectus and a summary of this provision can be found under Appraisal Rights for MAMSI Stockholders beginning on page of the attached proxy statement/prospectus.

Your vote is important. To ensure that your shares are represented at the special meeting, you are urged to complete, date and sign the enclosed proxy and mail it promptly in the postage-paid envelope provided, whether or not you plan to attend the special meeting in person. You may also vote your shares by telephone, using a toll-free number, or the Internet. Your proxy card contains instructions for using these convenient services.

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You may revoke your proxy in the manner described in the accompanying proxy statement/prospectus at any time before it has been voted at the special meeting. If you attend the special meeting you may vote in person even if you returned a proxy. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote in person at the special meeting, you must obtain from the record holder a proxy issued in your name.

Please do not send your stock certificates at this time. If the merger is completed, you will be sent instructions regarding the surrender of your stock certificates.

BY ORDER OF THE BOARD OF DIRECTORS

Sharon C. Pavlos

Secretary

Rockville, Maryland

, 2004

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The information in this proxy statement/prospectus is not complete and may be changed. UnitedHealth Group may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated , 2004

Proxy Statement of Mid Atlantic Medical Services, Inc.

Prospectus of United Health Group Incorporated

This proxy statement/prospectus is being furnished to stockholders of Mid Atlantic Medical Services, Inc., a Delaware corporation, referred to as MAMSI, in connection with the solicitation of proxies by the board of directors of MAMSI for use at the special meeting of stockholders of MAMSI to be held on , 2004 at 10:00 a.m., local time, at MAMSI s offices at 10 Taft Court, Rockville, Maryland 20850. At the special meeting, holders of MAMSI common stock, $0.01 par value, are being asked to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, referred to as the merger agreement, dated as of October 26, 2003, among MAMSI, UnitedHealth Group Incorporated, a Minnesota corporation, referred to as UnitedHealth Group, and MU Acquisition LLC, a Delaware limited liability company and a wholly owned subsidiary of UnitedHealth Group, providing for, among other things, the merger of MAMSI with and into MU Acquisition LLC. A copy of the merger agreement is attached hereto as Annex A and made part hereof. At the special meeting, MAMSI stockholders also are being asked to consider and vote upon a proposal to authorize the proxies to vote to adjourn or postpone the special meeting, in their sole discretion, for the purpose of soliciting additional votes for the adoption of the merger agreement.

At the effective time of the merger, MAMSI will merge with and into MU Acquisition LLC. Each outstanding share of MAMSI common stock will be converted into the right to receive 0.82 shares of UnitedHealth Group common stock and $18.00 in cash. The cash component of the merger consideration could be decreased and the stock component increased if required to preserve the intended treatment of the merger for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as explained under the caption The Merger Tax Adjustment on page of this proxy statement/prospectus. For additional information regarding the terms of the merger, see the merger agreement attached as Annex A hereto and the discussion under the caption The Merger herein. Completion of the merger is conditioned upon, among other things, receipt of all required shareholder and regulatory approvals.

The UnitedHealth Group common stock is listed on the New York Stock Exchange, Inc., under the symbol UNH and the MAMSI common stock is listed on the New York Stock Exchange under the symbol MME. The last reported sale price of UnitedHealth Group common stock on the New York Stock Exchange was on , 2004. **There can be no assurance as to the market price of the UnitedHealth Group common stock at any time prior to the effective time of the merger or at any time thereafter.** Stockholders are urged to obtain current market quotations for UnitedHealth Group common stock and MAMSI common stock.

MAMSI stockholders are strongly urged to read and consider carefully this proxy statement/prospectus in its entirety, particularly the matters referred to under Risk Factors starting on page [ ].

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the shares of UnitedHealth Group common stock to be issued in the merger, or determined if the proxy statement/prospectus is accurate or adequate.

Any representation to the contrary is a criminal offense.

The date of this proxy statement/prospectus is , 2004.

This proxy statement/prospectus and the form of proxy are first being mailed to the stockholders of MAMSI on or about , 2004.

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Annex G	UnitedHealth Group Selected Financial Data for the fiscal year ended December 31, 2002
Annex H	UnitedHealth Group Management s Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended December 31, 2002
Annex I	UnitedHealth Group Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2003
Annex J	MAMSI Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2003
Annex K	MAMSI Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2003
Annex L	MAMSI Current Report on Form 8-K/A dated October 27, 2003
Annex M	UnitedHealth Group Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2003
Annex N	UnitedHealth Group Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2003
Annex O	UnitedHealth Group Current Report on Form 8-K dated January 6, 2004
Annex P	UnitedHealth Group Current Report on Form 8-K dated December 3, 2003
Annex Q	UnitedHealth Group Current Report on Form 8-K dated October 27, 2003
Annex R	UnitedHealth Group Current Report on Form 8-K dated September 16, 2003
Annex S	UnitedHealth Group Current Report on Form 8-K dated March 25, 2003

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: WHY ARE WE PROPOSING TO MERGE?

A: As a result of the merger, MAMSI will become part of a combined company that is a national leader in forming and operating markets for the delivery of health and well-being services. By becoming part of a much larger health and well-being company, MAMSI s ability to market its services, expand its business and serve its members is expected to be greatly enhanced. Upon completion of the merger, it is anticipated that MAMSI s operations will be integrated with those of UnitedHealth Group s Health Care Services unit.

Q: WHAT WILL HAPPEN IN THE MERGER?

A: In the merger, MAMSI will merge with and into the merger subsidiary, MU Acquisition LLC, which is a wholly owned subsidiary of UnitedHealth Group, with MU Acquisition LLC continuing after the merger as the surviving entity and a wholly owned subsidiary of UnitedHealth Group.

Q: AS A MAMSI STOCKHOLDER, WHAT WILL I RECEIVE IN THE MERGER?

A: If the merger is completed, for each share of MAMSI common stock you own, you will receive 0.82 shares of UnitedHealth Group common stock and $18.00 in cash, referred to as the merger consideration. The cash component of the merger consideration could be decreased and the stock component increased if required to preserve the intended treatment of the merger for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as explained under the caption The Merger Agreement Tax Adjustment beginning on page of this proxy statement/prospectus. Assuming the merger so qualifies as a reorganization, a MAMSI stockholder generally will, for U.S. federal income tax purposes, recognize gain, but not loss, equal to the lesser of (i) the excess, if any, of the fair market value of the UnitedHealth Group common stock and the amount of cash received by the stockholder over that stockholder s adjusted tax basis in the MAMSI common stock exchanged in the merger or (ii) the amount of cash received by the stockholder in the merger; this treatment may not apply to all MAMSI stockholders. For further information concerning U.S. federal income tax consequences of the merger, please see Material U.S. Federal Income Tax Consequences of the Merger beginning on page of this proxy statement/prospectus. UnitedHealth Group will not issue fractional shares of common stock. Instead, in lieu of any fractional share that you would otherwise receive, you will receive cash based on the closing market price of UnitedHealth Group common stock as of the effective date of the merger or, if such date is not a trading day, the last trading day prior to the effective date of the merger. As of October 24, 2003, the last full trading day immediately preceding the public announcement of the proposed transaction, the implied value of the merger consideration was $62.49 per share of MAMSI common stock. Following the merger, MAMSI stockholders are expected to own in the aggregate approximately % of the outstanding shares of UnitedHealth Group common stock.

Q: WHAT ARE THE PRINCIPAL RISKS RELATING TO THE MERGER?

A: The anticipated benefits of combining UnitedHealth Group and MAMSI may not be realized. UnitedHealth Group may have difficulty and incur substantial costs in integrating MAMSI. The merger may result in a loss of customers and partners. UnitedHealth Group and MAMSI must obtain several governmental and other consents to complete the merger, which, if delayed, not granted or granted with unacceptable conditions, may jeopardize or postpone the merger, result in additional expense or reduce the anticipated benefits of the transaction. These and other risks are explained under the caption Risk Factors Risks Associated with the Merger beginning on page of this proxy statement/prospectus.

Q. CAN THE VALUE OF THE TRANSACTION CHANGE BETWEEN NOW AND THE TIME THE MERGER IS COMPLETED?

A. Yes. The value of the merger consideration composed of UnitedHealth Group common stock can change. The 0.82 exchange ratio is a fixed exchange ratio, meaning that you will receive 0.82 shares of UnitedHealth Group common stock for each share of MAMSI common stock you own plus $18.00 in cash regardless of the

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trading price of UnitedHealth Group common stock on the effective date of the merger. The cash component of the merger consideration could be decreased and the stock component increased if required to preserve the intended treatment of the merger for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as explained under the caption The Merger Agreement Tax Adjustment beginning on page of this proxy statement/prospectus. The market value of the total transaction, and of the UnitedHealth Group common stock you may receive in the merger, will increase or decrease as the trading price of UnitedHealth Group s common stock increases or decreases. There can be no assurance as to the market price of the UnitedHealth Group common stock at any time prior to the completion of the merger or at any time thereafter. Stockholders are urged to obtain current market quotations for UnitedHealth Group common stock and MAMSI common stock.

Q: AS A HOLDER OF OPTIONS TO PURCHASE MAMSI COMMON STOCK, WHAT WILL I RECEIVE IN THE MERGER?

A: During the thirty-day period prior to the effective date of the merger, each holder of an outstanding option to purchase a share of MAMSI common stock (whether or not then vested or exercisable by its terms) will have the opportunity to exercise such stock options upon payment of the exercise price in accordance with the terms of the applicable MAMSI stock plan, or, at the option of MAMSI, on a net cashless exercise basis upon delivery to MAMSI of an exercise agreement. Except for vested options being exercised in accordance with the terms of the applicable MAMSI stock plan, such option exercises will be deemed effective as of, and conditioned upon, the completion of the merger. Each outstanding option to purchase a share of MAMSI that is not exercised prior to the effective date of the merger will be cancelled upon the effective date of the merger and no consideration will be paid for such options.

Q: WHEN AND WHERE WILL THE SPECIAL MEETING TAKE PLACE?

A: The special meeting is scheduled to take place at 10:00 a.m., local time, on , 2004, at MAMSI s offices located at 10 Taft Court, Rockville, Maryland 20850.

Q: WHO IS ENTITLED TO VOTE AT THE SPECIAL MEETING?

A: Holders of record of MAMSI common stock as of the close of business on , 2004, referred to as the record date, are entitled to vote at the special meeting. Each stockholder has one vote for each share of MAMSI common stock he, she, or it owns on the record date.

Q: WHAT VOTE IS REQUIRED TO ADOPT THE MERGER AGREEMENT?

A: The affirmative vote of a majority of the shares of MAMSI common stock outstanding as of the record date is required to adopt the merger agreement.

MAMSI s board of directors unanimously recommends that MAMSI stockholders vote FOR adoption of the merger agreement.

Q: WHAT DO I NEED TO DO NOW?

A: After carefully reading and considering the information contained in this proxy statement/prospectus, please mail your signed proxy card in the enclosed return envelope as soon as possible so that your shares may be represented at the special meeting. You may also vote your shares by telephone, using a toll-free number, or the Internet. Votes by telephone or the Internet must be received by .m., eastern time, on , 2004. Your proxy card contains instructions for using these convenient services. You may also attend the special meeting and vote in person. If your shares are held in street name by your broker or bank, your broker or bank will vote your shares only if you provide instructions on how to vote. You should follow the directions provided by your broker or bank regarding how to instruct your broker to vote your shares.

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Q: WHAT IF I DO NOT VOTE?

A: It is very important for you to vote. If you do not submit a proxy or instruct your broker how to vote your shares if your shares are held in street name, and you do not vote by telephone, the Internet or in person at the special meeting, the effect will be the same as if you voted AGAINST the adoption of the merger agreement. If you submit a signed proxy without specifying the manner in which you would like your shares to be voted, your shares will be voted FOR the adoption of the merger agreement. However, if your shares are held in street name and you do not instruct your broker how to vote your shares, your broker will leave your shares unvoted, referred to as a broker non-vote, which will have the same effect as voting AGAINST the adoption of the merger agreement. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. This ensures that your shares will be voted at the special meeting.

Q: CAN I CHANGE MY VOTE AFTER I HAVE DELIVERED MY PROXY?

A: Yes. You may change your vote at any time before the vote takes place at the special meeting. To change your vote, you may submit a later dated proxy card by mail, telephone or the Internet, or send a written notice to the Secretary of MAMSI stating that you would like to revoke your proxy. You may also change your vote by attending the special meeting and voting in person. However, if you elect to vote in person at the special meeting and your shares are held by a broker, bank or other nominee, you must bring to the meeting a legal proxy from the broker, bank or other nominee authorizing you to vote the shares.

Q: WILL A PROXY SOLICITOR BE USED?

A: Yes. MAMSI has engaged Morrow & Co., Inc. to assist in the solicitation of proxies for the special meeting.

Q: DO I NEED TO ATTEND THE SPECIAL MEETING IN PERSON?

A: No, it is not necessary for you to attend the special meeting to vote your shares if MAMSI has previously received your proxy, although you are welcome to attend.

Q: SHOULD I SEND IN MY STOCK CERTIFICATES NOW?

A: No. After we complete the merger, The Bank of New York, acting as our exchange agent, will send you instructions explaining how to exchange your shares of MAMSI common stock for the appropriate number of UnitedHealth Group common stock shares and cash. **Please do not send in your stock certificates with your proxy.**

Q: WHEN DO YOU EXPECT TO COMPLETE THE MERGER?

A: We are working to complete the merger as quickly as possible. We currently anticipate that the merger will be completed as promptly as practicable after the special meeting, likely in the first quarter of 2004. However, because the merger is subject to closing conditions and the approval of regulatory agencies, such as the Maryland Insurance Administration and the Departments of Insurance of each of North Carolina and Pennsylvania, we cannot predict the exact timing.

Q: WHAT ARE THE MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER TO ME?

A: Assuming the merger is completed as currently contemplated, we expect that, for U.S. federal income tax purposes, you generally will recognize gain, but not loss, equal to the lesser of (i) the excess, if any, of the fair market value of the UnitedHealth Group common stock and the amount of cash received by you over your adjusted tax basis in your MAMSI common stock exchanged in the merger or (ii) the amount of cash received by you in the merger. This treatment may not apply to all MAMSI stockholders. For further information concerning

U.S. federal income tax consequences of the merger, please see Material U.S. Federal Income Tax Consequences of the Merger beginning on page of this proxy statement/prospectus.

Tax matters are very complicated and the consequences of the merger to any particular MAMSI stockholder will depend on that stockholder s particular facts and circumstances. You are urged to consult your own tax advisor to determine your own tax consequences from the merger.

Q: WILL I HAVE APPRAISAL RIGHTS AS A RESULT OF THE MERGER?

A: Yes. In order to exercise your appraisal rights, you must follow the requirements of Delaware law. A copy of the applicable Delaware statutory provision is included as Annex C to the proxy statement/prospectus and a summary of this provision can be found under Appraisal Rights for MAMSI Stockholders beginning on page of this proxy statement/prospectus.

Q: HOW WILL MAMSI STOCKHOLDERS RECEIVE THE MERGER CONSIDERATION?

A: Following the merger, you will receive a letter of transmittal and instructions on how to obtain shares of UnitedHealth Group and cash in exchange for MAMSI common stock. You must return the completed letter of transmittal and your MAMSI stock certificates as described in the instructions, and you will receive your portion of the merger consideration as soon as practicable after The Bank of New York, as the exchange agent, receives your completed letter of transmittal and MAMSI stock certificates. If you hold shares through a brokerage account, your broker will handle the surrender of stock certificates to The Bank of New York.

Q: WHO CAN I CALL WITH QUESTIONS?

A: If you have any questions about the merger or other matters discussed in this proxy statement/prospectus, you should contact Morrow & Co., Inc. at (212) 754-8000.

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SUMMARY OF THE PROXY STATEMENT/PROSPECTUS

This summary highlights information from this proxy statement/prospectus and may not contain all of the information that is important to you. You should carefully read this entire document and the other documents referred to for a more complete understanding of the merger agreement and the merger. In particular, you should read the documents attached to this proxy statement/prospectus, including the merger agreement and the fairness opinions, which are attached as Annexes A, B-1, and B-2 and made part hereof. In addition, we have attached hereto as Annexes D through S important business and financial information about MAMSI and UnitedHealth Group, which information is made part of this proxy statement/prospectus. This summary and the balance of this proxy statement/prospectus contain forward-looking statements about events that are not certain to occur as described or at all, and you should not place undue reliance on those statements. Please carefully read Cautionary Statement Regarding Forward-Looking Statements beginning on page of this proxy statement/prospectus.

The Companies

Mid Atlantic Medical Services, Inc.

4 Taft Court

Rockville, Maryland 20850

(301) 294-5140

MAMSI is a holding company for subsidiaries active in managed health care and other life and health insurance related activities. MAMSI and its subsidiaries offer a broad range of health care coverage and related ancillary products and deliver these services through health maintenance organizations, a preferred provider organization, and a life and health insurance company. MAMSI also owns a home health care company, a home infusion services company, a hospice company, a coordination of benefits identification and collections company and maintains a partnership interest in an outpatient surgery center. MAMSI was incorporated in Delaware in 1986.

For further information concerning MAMSI, please refer to MAMSI s Annual Report on Form 10-K for the fiscal year ended December 31, 2002, attached as Annex D, and its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2003, attached as Annex E, both of which are attached hereto and made part of this proxy statement/prospectus.

UnitedHealth Group Incorporated

UnitedHealth Group Center

9900 Bren Road East

Minnetonka, Minnesota 55343

(952) 936-1300

UnitedHealth Group is a leader in the health and well-being industry, serving more than 50 million Americans. Through its family of businesses, UnitedHealth Group combines clinical insight with consumer-friendly services and advanced technology to help people achieve optimal health and well being through all stages of life. UnitedHealth Group conducts its business primarily through its operating divisions in four business segments.

UnitedHealth Group s Uniprise segment serves the employee benefit needs of large organizations by developing cost-effective health care access and benefit strategies and programs, technology and service-driven solutions tailored to the specific needs of each corporate customer. Uniprise offers consumers access to a wide spectrum of health and well-being products and services.

UnitedHealth Group s Health Care Services segment consists of the UnitedHealthcare, Ovations and AmeriChoice businesses. UnitedHealthcare coordinates health and well-being services on behalf of local

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employers and consumers nationwide. Ovations provides health and well-being services for Americans age 50 and older, addressing their unique needs for preventative and acute health care services, for services dealing with chronic disease and for responding to specialized issues relating to their overall well-being. AmeriChoice engages in facilitating health care benefits and services for state Medicaid programs and their beneficiaries.

UnitedHealth Group s Specialized Care Services segment is a portfolio of health and well-being companies, each serving a specific market need with a unique blend of benefits, provider networks, services and resources. Specialized Care Services provides comprehensive products and services that are focused on highly specialized health care needs, such as mental health and chemical dependency, employee assistance, specialty networks, vision and dental services, chiropractic services, health-related information and other health and well-being services.

UnitedHealth Group s Ingenix segment is a leader in the field of health care data and information, research, analysis and application. Ingenix serves multiple health care markets on a business-to-business basis, including pharmaceutical companies, health insurers and other payers, physicians and other health care providers, large employers and government agencies.

UnitedHealth Group Incorporated, formerly known as United HealthCare Corporation, is a Minnesota corporation, incorporated in January 1977. For further information concerning UnitedHealth Group, please see Certain Information Concerning UnitedHealth Group beginning on page and refer to UnitedHealth Group s Annual Report on Form 10-K for the fiscal year ended December 31, 2002, attached hereto as Annex F, its Selected Financial Data for the fiscal year ended December 31, 2002, attached hereto as Annex G, its Management s Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended December 31, 2002, attached hereto as Annex H, and its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2003, attached hereto as Annex I, all of which Annexes are made part of this proxy statement/prospectus.

MU Acquisition LLC

UnitedHealth Group Center

9900 Bren Road East

Minnetonka, Minnesota 55343

(952) 936-1300

MU Acquisition LLC is a Delaware limited liability company formed by UnitedHealth Group on October 24, 2003 for the sole purpose of effecting the merger. This is the only business of MU Acquisition LLC.

After the merger, the combined company will have a combined membership of 3.5 million in the fast growing mid-Atlantic region. MAMSI s assets, brand and reputation will significantly expand and enhance UnitedHealth Group s customer products and services in the region, while the merger provides UnitedHealth Group a significant business opportunity to improve access to affordable health services for regional employers and consumers. Customers of UnitedHealthcare and Uniprise will benefit from MAMSI s relationships with institutions and care providers. At the same time, the offerings and capabilities of UnitedHealth Group will be available to the people served by MAMSI.

Structure of the Transaction (see page)

MAMSI will merge with and into MU Acquisition LLC, a newly formed, wholly owned subsidiary of UnitedHealth Group. MU Acquisition LLC will be the surviving entity and will continue as a wholly owned subsidiary of UnitedHealth Group, and will succeed to and assume all the rights and obligations of MAMSI. Holders of MAMSI common stock (other than holders perfecting appraisal rights, see Appraisal Rights for MAMSI Stockholders beginning on page) will receive 0.82 shares of UnitedHealth Group common stock and $18.00 in cash for each share of MAMSI common stock they own. The mix of equity and cash will maintain the current balance of debt and equity in the capital structure of UnitedHealth Group. The cash

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component of the merger consideration could be decreased and the stock component increased if required to preserve the intended treatment of the merger for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as explained under the caption The Merger Agreement Tax Adjustment beginning on page . Assuming the merger so qualifies as a reorganization, a MAMSI stockholder generally will, for U.S. federal income tax purposes, recognize gain, but not loss, equal to the lesser of (i) the excess, if any, of the fair market value of the UnitedHealth Group common stock and the amount of cash received by the stockholder over that stockholder s adjusted tax basis in the MAMSI common stock exchanged in the merger or (ii) the amount of cash received by the stockholder in the merger; this treatment may not apply to all MAMSI stockholders. For further information concerning U.S. federal income tax consequences of the merger, please see Material U.S. Federal Income Tax Consequences of the Merger beginning on page of this proxy statement/prospectus. Stockholders will receive cash for any fractional shares that they would otherwise receive in the merger. UnitedHealth Group intends to change the name of the surviving entity to MAMSI promptly following the merger.

During a thirty-day period prior to the effective date of the merger, each holder of an outstanding option to purchase a share of MAMSI common stock (whether or not then vested or exercisable by its terms) will have the opportunity to exercise such stock options upon payment of the exercise price in accordance with the terms of the applicable MAMSI stock plan, or, at the option of MAMSI, on a net cashless exercise basis upon delivery to MAMSI of an exercise agreement. Except for vested options being exercised in accordance with the terms of the applicable MAMSI stock plan, such option exercises will be deemed effective as of, and conditioned upon, the completion of the merger. Each outstanding option to purchase a share of MAMSI common stock that is not exercised prior to the effectiveness of the merger will be cancelled upon the effectiveness of the merger and no consideration will be paid for such options. There are currently outstanding options to purchase 6,415,586 shares of MAMSI common stock, exercisable at prices ranging from of $5.38 to $57.25 per share.

The merger agreement is attached to this proxy statement/prospectus as Annex A. Stockholders of MAMSI are encouraged to carefully read the merger agreement in its entirety.

Stockholder Approval (see page)

In order for the merger to be completed, holders of a majority of the shares of MAMSI common stock outstanding as of the record date must adopt the merger agreement. UnitedHealth Group shareholders are not required to adopt the merger agreement.

You are entitled to cast one vote per share of MAMSI common stock you owned as of , 2004, the record date.

Recommendation of MAMSI s Board of Directors (see page)

After careful consideration, MAMSI s board of directors has unanimously approved and adopted the merger agreement and determined that the merger is advisable, fair to and in the best interests of, MAMSI and its stockholders and unanimously recommends that MAMSI stockholders vote FOR adoption of the merger agreement.

Fairness Opinions

Opinion of Lehman Brothers Inc. (see page)

On October 26, 2003, Lehman Brothers Inc., referred to as Lehman Brothers, rendered its written opinion to MAMSI s board of directors that, as of such date, and based upon and subject to specified matters set forth in the opinion, from a financial point of view, the consideration offered to the MAMSI stockholders in the merger is fair to such stockholders.

The full text of the written Lehman Brothers opinion is attached as Annex B-1 to this proxy statement/prospectus. MAMSI stockholders should read the opinion for a discussion of the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Lehman Brothers in rendering its opinion.

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Lehman Brothers provided its opinion at the request of the MAMSI board of directors in connection with its consideration of the merger. The Lehman Brothers opinion is not intended to be and does not constitute a recommendation to any MAMSI stockholder as to how such stockholder should vote in connection with the merger.

Opinion of Houlihan Lokey Howard & Zukin Financial Advisors, Inc. (see page)

Houlihan Lokey Howard & Zukin Financial Advisors, Inc., referred to as Houlihan Lokey, delivered its written opinion to MAMSI s board of directors to the effect that, as of October 26, 2003, and based upon and subject to the considerations set forth in its opinion, the $18.00 in cash and 0.82 shares of UnitedHealth Group s common stock to be paid for each share of MAMSI common stock is fair, from a financial point of view, to the holders of MAMSI common stock.

The written opinion of Houlihan Lokey is attached as Annex B-2 to this proxy statement/prospectus. MAMSI stockholders should read the opinion for a discussion of the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Houlihan Lokey in providing its opinion.

The written opinion of Houlihan Lokey was provided at the request of the MAMSI s board of directors and addresses only the fairness from a financial point of view to the holders of MAMSI s common stock, as of the date of the opinion, of the per share merger consideration to be paid by UnitedHealth Group pursuant to the merger agreement. The written opinion of Houlihan Lokey does not address any other aspect of the transaction and does not constitute a recommendation to MAMSI s stockholders as to how to vote at MAMSI s stockholder meeting.

Risk Factors (see page)

See Risk Factors for a discussion of factors you should carefully consider before deciding how to vote your shares of MAMSI common stock at the special meeting.

Conditions to the Merger (see page)

The parties obligations to complete the merger are subject to the prior satisfaction, or waiver to the extent permitted by law or exchange rule, of each of the conditions specified in the merger agreement. The following conditions, in addition to other customary closing conditions, must be satisfied or waived before the completion of the merger:

- the merger agreement must be adopted by the holders of a majority of the outstanding shares of MAMSI common stock as of the record date;
- the waiting period under the Hart-Scott-Rodino Act must have been terminated or expired;

specified governmental consents, including State Department of Health and/or State Department of Insurance approvals, must be obtained without conditions which would reasonably be expected to have a material adverse effect on UnitedHealth Group or MAMSI or materially impair the anticipated long-term benefits of the merger;

the shares of UnitedHealth Group common stock issuable to MAMSI stockholders must have been approved for listing, subject to official notice of issuance, on the New York Stock Exchange;

each party must have received an opinion of counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code;

there must be no litigation or other proceeding by a governmental entity pending or threatened seeking (i) to prohibit the ownership or operation of MAMSI by UnitedHealth Group, (ii) to impair the ownership or operation of MAMSI by UnitedHealth Group (including by requiring disposal of assets), or (iii) damages, which in the case of (ii) or (iii) would reasonably be expected to have a material adverse effect on UnitedHealth Group or MAMSI or materially impair the anticipated long-term benefits of the merger;

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there must be no legal restraint in effect which would reasonably be likely to have any of the effects set forth in (i) through (iii) of the above bullet point;

the representations and warranties of each party set forth in the merger agreement must be true and correct without giving effect to any qualification as to materiality or material adverse effect, except where the failure to be true and correct would not reasonably be likely to have a material adverse effect on such party, in each case as of the date of the merger agreement and as of the date the merger is to be completed;

the parties to the merger agreement must have performed in all material respects all of their agreements and covenants required by the merger agreement; and

the registration statement, of which this proxy statement/prospectus is a part, must be effective under the Securities Act of 1933 and must not be the subject of any stop order or pending or threatened proceeding seeking a stop order.

Termination of the Merger Agreement (see page)

The merger agreement may be terminated by mutual consent, or by either UnitedHealth Group or MAMSI under specified circumstances, at any time before the completion of the merger, including:

if the merger is not completed, through no fault of the terminating party, by July 31, 2004;

if the MAMSI stockholders do not adopt the merger agreement at the special meeting;

if any legal restraint having the effect of (i) prohibiting the ownership or operation of MAMSI by UnitedHealth Group, (ii) impairing the ownership of MAMSI by UnitedHealth Group (including by requiring disposal of assets) or (iii) awarding damages, which in the case of (ii) or (iii) would reasonably be expected to have a material adverse effect on UnitedHealth Group or MAMSI or materially impair the anticipated long-term benefits of the merger, shall be in effect and shall have become final and nonappealable; or

if the other party has breached any of its representations and warranties or failed to perform any of its covenants and the breach or failure to perform would give rise to the failure of specified closing conditions and is not cured or curable within 30 days following receipt of notice of the breach.

In addition, the merger agreement may be terminated by UnitedHealth Group within 45 days of the date on which the MAMSI board of directors (i) withdraws (or modifies in a manner adverse to UnitedHealth Group) its recommendation of the merger agreement or recommends an alternate takeover proposal or (ii) fails to publicly confirm its recommendation of the merger agreement within three business days after a written request by UnitedHealth Group that it do so.

Payment of Termination Fee (see page)

MAMSI has agreed to pay UnitedHealth Group a termination fee of $116,388,089 if the merger agreement is terminated under several specified circumstances. The termination fee is payable if the merger agreement is terminated by UnitedHealth Group within 45 days of MAMSI withdrawing or failing to confirm its recommendation of the merger agreement. The termination fee is also payable if MAMSI commits to a takeover proposal within one year from the termination of the merger agreement, but only if a takeover proposal was communicated to MAMSI or its stockholders after the date of the merger agreement, and the merger agreement was terminated due to:

a failure to obtain MAMSI stockholder approval for the merger agreement at a MAMSI stockholder meeting or any adjournment or postponement thereof (*provided,* that if MAMSI withdrew or failed to confirm its recommendation of the merger agreement prior to the special meeting, and the stockholder vote was still held, no such fee would be payable) or a willful breach by MAMSI of its representations, warranties, covenants or agreements that is not cured within 30 days written notice from UnitedHealth Group and would be reasonably likely to result in a material adverse effect on MAMSI.

Finally, the termination fee is payable if the merger is not consummated by July 31, 2004 (so long as the terminating party s action or failure to act was not a principal cause of and did not result in such failure to consummate the merger), a vote to obtain MAMSI stockholder approval has not been held and MAMSI commits to a takeover proposal within one year after such termination (*provided*, that if the stockholder vote was not held because of events beyond MAMSI s control, no such fee would be payable). See The Merger Agreement Payment of Fees and Expenses beginning on page .

No Solicitation of Transactions Involving MAMSI (see page)

MAMSI has agreed that it will not, whether directly or indirectly, until the merger is completed or the merger agreement is terminated:

solicit, initiate, cause, knowingly encourage or knowingly facilitate any inquiries or takeover proposals (as described below); or

participate in discussions or negotiations with, or furnish any information to, a third party in connection with or furtherance of a takeover proposal.

However, prior to the special meeting, MAMSI may, in response to an unsolicited takeover proposal by a third party, and with two business days written notice to UnitedHealth Group, furnish information to, pursuant to a confidentiality agreement no less restrictive than the one with UnitedHealth Group, and participate in discussions with, such third party regarding the takeover proposal if:

MAMSI s board of directors determines in good faith that the takeover proposal constitutes, or is reasonably likely to constitute, a superior proposal (as described below), and

MAMSI s board of directors determines in good faith, after receiving advice from its outside legal counsel, that such action is necessary in order to comply with its fiduciary duties under applicable law.

Additionally, MAMSI s board of directors is not prohibited from taking and disclosing to MAMSI s stockholders a position with respect to a tender offer as contemplated by Rule 14e-2(a) or Item 1012(a) of Regulation M-A promulgated under the Securities Exchange Act. Furthermore, MAMSI s board of directors is not prohibited from making any required disclosure to MAMSI stockholders if, in the good faith judgment of the board of directors (after consultation with outside counsel), failure to so disclose would be inconsistent with its obligations under applicable law.

A takeover proposal is any inquiry, proposal or offer (other than the proposed merger) for a merger, consolidation or other business combination with MAMSI, for the issuance of 20% or more of the equity securities of MAMSI as consideration for the assets or securities of a third party or for the acquisition of 20% or more of the assets or equity securities of MAMSI. A superior proposal is a takeover proposal to acquire 50% or more of the outstanding capital stock of MAMSI, or all or substantially all of the assets of MAMSI and its subsidiaries, taken as a whole, (i) on terms that the MAMSI board determines, in good faith, with advice from an independent financial advisor and outside legal counsel, to be more favorable to MAMSI s stockholders from a financial point of view than the terms of the merger with UnitedHealth Group and (ii) which is reasonably likely to be completed.

Interests of Certain Persons in the Merger (see page)

Certain executive officers and directors of MAMSI have interests in the merger that are different from and in addition to the interests of MAMSI stockholders generally. Mark D. Groban, Chairman of the Board of

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Directors, Thomas P. Barbera, President and Chief Executive Officer, Robert E. Foss, Senior Executive Vice President and Chief Financial Officer, and Sharon C. Pavlos, Associate Senior Executive Vice President and General Counsel, have entered into employment agreements with UnitedHealth Group that become effective upon completion of the merger. These agreements provide for the payment of a post-merger integration bonus to such executive officers, subject to the discretion of UnitedHealth Group, in the following amounts: for Dr. Groban, up to $650,000 per year, payable on the first anniversary of the effective date of his employment agreement; for Mr. Barbera and Mr. Foss, up to $400,000 per year, payable on the first and second anniversaries of the effective dates of their employment agreements; and for Ms. Pavlos, up to $300,000 per year, payable on the first and second anniversaries of the effective date of her employment agreement. Dr. Groban, Mr. Barbera, Mr. Foss and Ms. Pavlos also will receive change in control benefits upon completion of the merger estimated at the following aggregate amounts (assuming a closing date of February 1, 2004): for Dr. Groban, $8,786,139; for Mr. Barbera, $7,838,087; for Mr. Foss, $5,775,221; and for Ms. Pavlos, $2,566,860.

In addition, in connection with the merger, stock options granted to MAMSI executive officers and directors will become fully vested, to the extent they have not already become so, and immediately exercisable in accordance with MAMSI s stock option plans. Currently, Dr. Groban holds outstanding options for 827,750 shares of MAMSI common stock, with an exercise price range of $8.31 to $32.40 per share; Mr. Barbera holds options for 870,750 shares of MAMSI common stock, with an exercise price range of $8.31 to $32.40 per share; Mr. Foss holds options for 640,000 shares of MAMSI common stock, with an exercise price range of $16.75 to $32.40 per share; and Ms. Pavlos holds options for 345,000 shares of MAMSI common stock, with an exercise price range of $16.75 to $32.40 per share. All such options have become fully vested, or will become fully vested, prior to the consummation of the merger, and will not be subject to accelerated vesting as a consequence of the merger. However, pursuant to the terms of their existing employment agreements, Dr. Groban, Mr. Barbera, Mr. Foss and Ms. Pavlos were entitled to receive an additional option grant as of January 1, 2004, with an exercise price equal to the fair market value of MAMSI common stock on the date of grant. The existing employment agreements require minimum option grants for shares of MAMSI common stock in the following amounts: 150,000 shares each to Dr. Groban and Mr. Barbera; 130,000 shares to Mr. Foss; and 100,000 shares to Ms. Pavlos. In previous years, the MAMSI board of directors approved option grants in excess of the employment agreement minimums. If the MAMSI board of directors were to apply the same option award determination formula for these grants of options as it did for option grants made for 2002 and 2003, the aggregate number of shares subject to such options could be up to approximately 1,100,000, which is the same number of shares still available for option grants under MAMSI s stock plans. While it is expected that the historical option award formula will be applied to options granted in 2004, and that the maximum number of shares subject to options will be awarded, such awards remain subject to further board action by MAMSI. Pursuant to the terms of the merger agreement, MAMSI must receive the written consent of UnitedHealth Group prior to granting such options. UnitedHealth Group has indicated that it expects to approve grants of options to these individuals in the indicated aggregate amount. To the extent these additional options are not fully vested and immediately exercisable upon grant, such options will be accelerated as a result of the merger and will become fully vested and immediately exercisable upon the consummation of the merger. See Interests of Certain Persons in the Merger Stock Options beginning on page .

UnitedHealth Group also agreed in the merger agreement to indemnify and provide liability insurance to MAMSI s officers and directors. The directors of UnitedHealth Group and MAMSI knew about these additional interests and considered them when they approved the merger.

Material U.S. Federal Income Tax Consequences of the Merger (see page)

The completion of the merger is conditioned on the receipt by MAMSI and UnitedHealth Group of tax opinions from their respective counsel dated as of the date of the merger to the effect that the merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal

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Revenue Code. Assuming the merger so qualifies as a reorganization, a MAMSI stockholder generally will, for U.S. federal income tax purposes, recognize gain, but not loss, equal to the lesser of (i) the excess, if any, of the fair market value of the UnitedHealth Group common stock and the amount of cash received by the stockholder over that stockholder s adjusted tax basis in the MAMSI common stock exchanged in the merger or (ii) the amount of cash received by the stockholder in the merger; this treatment may not apply to all MAMSI stockholders. For further information concerning U.S. federal income tax consequences of the merger, please see Material U.S. Federal Income Tax Consequences of the Merger beginning on page of this proxy statement/prospectus.

Tax matters are very complicated and the consequences of the merger to any particular MAMSI stockholder will depend on that stockholder s particular facts and circumstances. MAMSI stockholders are urged to consult their own tax advisors to determine their own tax consequences from the merger.

Accounting Treatment (see page)

UnitedHealth Group will account for the merger under the purchase method of accounting for business combinations.

Regulatory Approvals (see page)

The merger is subject to U.S. antitrust laws. UnitedHealth Group and MAMSI have made the required filings with the U.S. Department of Justice and the Federal Trade Commission, and the applicable waiting period was terminated on January 5, 2004. The Department of Justice or the Federal Trade Commission, as well as a state or private person, may challenge the merger at any time before or after its completion.

In addition, the Departments of Insurance of the States of Maryland, Pennsylvania and North Carolina must approve UnitedHealth Group s acquisition of control of MAMSI and certain MAMSI subsidiaries. UnitedHealth Group filed a Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer as required by law, on October 31, 2003 with the Maryland Insurance Administration, on November 3, 2003 with the North Carolina Department of Insurance and on November 7, 2003 with the Pennsylvania Department of Insurance. In addition, the parties must file pre-notifications of merger with the insurance departments of five states in which MAMSI and its subsidiaries conduct business. These approvals are more fully described at The Merger Regulatory Matters.

Restrictions on the Ability to Sell UnitedHealth Group Common Stock (see page)

All shares of UnitedHealth Group common stock you receive in connection with the merger will be freely transferable unless you are considered an affiliate of either MAMSI or UnitedHealth Group for the purposes of the Securities Act of 1933, in which case you will be permitted to sell the shares of UnitedHealth Group common stock you receive in the merger only pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act of 1933. This proxy statement/prospectus does not register the resale of stock held by affiliates.

Dissenters or Appraisal Rights (see page)

Under Delaware law, you are entitled to appraisal rights in connection with the merger.

You will have the right under Delaware law to have the fair value of your shares of MAMSI common stock determined by the Delaware Chancery Court. This right to appraisal is subject to a number of restrictions and technical requirements. Generally, in order to exercise your appraisal rights you must:

- send a written demand to MAMSI for appraisal in compliance with the Delaware General Corporation Law before the vote on the merger;

not vote in favor of the merger; and

continuously hold your MAMSI common stock, from the date you make the demand for appraisal through the closing of the merger.

Merely voting against the merger will not protect your rights to an appraisal, which requires all the steps provided under Delaware law. Delaware law requirements for exercising appraisal rights are described in further detail beginning on page . The relevant section of Delaware law regarding appraisal rights is reproduced and attached as Annex C to this proxy statement/prospectus.

If you vote for the merger, you will waive your rights to seek appraisal of your shares of MAMSI common stock under Delaware law.

Surrender of Stock Certificates (see page)

Following the effective time of the merger, UnitedHealth Group will cause a letter of transmittal to be mailed to all holders of MAMSI common stock containing instructions for surrendering their certificates. Certificates should not be surrendered until the letter of transmittal is received, fully completed and returned as instructed in the letter of transmittal.

Certain Effects of the Merger (see page)

Upon completion of the merger, MAMSI stockholders will become shareholders of UnitedHealth Group. The internal affairs of UnitedHealth Group are governed by the Minnesota Business Corporation Act and UnitedHealth Group s articles of incorporation and bylaws. The merger will result in differences in the rights of MAMSI stockholders, which are summarized in Comparison of Rights of Shareholders of UnitedHealth Group and MAMSI beginning on page .

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA

OF UNITEDHEALTH GROUP INCORPORATED

The following table summarizes selected historical consolidated financial data of UnitedHealth Group which should be read in conjunction with the consolidated financial statements of UnitedHealth Group, and the notes thereto, included in Annex H and made part of this proxy statement/prospectus. The financial data for the five years ended December 31, 2002 has been derived from the audited consolidated financial statements of UnitedHealth Group. The financial data as of and for the nine months ended September 30, 2003 and 2002 has been derived from the unaudited condensed consolidated financial statements of UnitedHealth Group. In the opinion of UnitedHealth Group s management, all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the financial data for the nine months ended September 30, 2003 and 2002 have been reflected therein. Operating results for the nine months ended September 30, 2003 are not necessarily indicative of the results that may be expected for the full year. On May 7, 2003, UnitedHealth Group s board of directors declared a two-for-one split of UnitedHealth Group s common stock in the form of a 100 percent common stock dividend. The stock dividend was paid on June 18, 2003, to shareholders of record on June 2, 2003. All per share calculations reflect the two-for-one common stock split.

	For the Nine Months Ended September 30,		For the Year Ended December 31,				
(In millions, except per share data)	**2003**	**2002**	**2002**	**2001**	**2000**	**1999**	**1998(1)**
Consolidated Operating Results							
Revenues	$ 21,300	$ 18,338	$ 25,020	$ 23,454	$ 21,122	$ 19,562	$ 17,355
Earnings (Loss) From Operations	$ 2,125	$ 1,577	$ 2,186	$ 1,566	$ 1,200	$ 943	$ (42)
Net Earnings (Loss)	$ 1,318	$ 973	$ 1,352	$ 913	$ 736	$ 568	$ (166)
Net Earnings (Loss) Applicable to Common Shareholders	$ 1,318	$ 973	$ 1,352	$ 913	$ 736	$ 568	$ (214)
Return on Shareholders Equity (annualized)	38.4%	33.5%	33.0%	24.5%	19.8%	14.1%	na
Basic Net Earnings (Loss) per Common Share	$ 2.23	$ 1.60	$ 2.23	$ 1.46	$ 1.14	$ 0.82	$ (0.28)
Diluted Net Earnings (Loss) per Common Share	$ 2.13	$ 1.53	$ 2.13	$ 1.40	$ 1.09	$ 0.80	$ (0.28)
Common Stock Dividends per Share	$ 0.015	$ 0.015	$ 0.015	$ 0.015	$ 0.008	$ 0.008	$ 0.008
Consolidated Cash Flows From (Used For):							
Operating Activities	$ 2,133	$ 1,663	$ 2,423	$ 1,844	$ 1,521	$ 1,189	$ 1,071
Investing Activities	$ (28)	$ (942)	$ (1,391)	$ (1,138)	$ (968)	$ (623)	$ 21
Financing Activities	$ (1,168)	$ (1,195)	$ (1,442)	$ (585)	$ (739)	$ (605)	$ (198)
Consolidated Financial Condition							
(As of period end)							
Cash and Investments	$ 6,954	$ 6,001	$ 6,329	$ 5,698	$ 5,053	$ 4,719	$ 4,424
Total Assets	$ 14,902	$ 13,707	$ 14,164	$ 12,486	$ 11,053	$ 10,273	$ 9,675
Debt	$ 1,750	$ 1,674	$ 1,761	$ 1,584	$ 1,209	$ 991	$ 708
Shareholders Equity	$ 4,746	$ 4,361	$ 4,428	$ 3,891	$ 3,688	$ 3,863	$ 4,038
Debt-to-Total-Capital Ratio	26.9%	27.7%	28.5%	28.9%	24.7%	20.4%	14.9%

(1) 1998 results include operational realignment and other charges of $725 million, $175 million of charges related to contract losses associated with certain Medicare markets and other increases to commercial and Medicare medical costs payable estimates, and a $20 million convertible preferred stock redemption premium.

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA

OF MID ATLANTIC MEDICAL SERVICES, INC.

The following table summarizes selected historical consolidated financial data of MAMSI which should be read in conjunction with the consolidated financial statements of MAMSI, and the notes thereto, included in Annex D and made part of this proxy statement/prospectus. The financial data for the five years ended December 31, 2002 has been derived from the audited consolidated financial statements of MAMSI. The financial data as of and for the nine months ended September 30, 2003 and 2002 has been derived from the unaudited condensed consolidated financial statements of MAMSI. In the opinion of MAMSI s management, all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the financial data for the nine months ended September 30, 2003 and 2002 have been reflected therein. Operating results for the nine months ended September 30, 2003 are not necessarily indicative of the results that may be expected for the full year.

	For the Nine Months Ended September 30,		For the Year Ended December 31,				
(In millions, except per share data)	**2003**	**2002**	**2002**	**2001**	**2000**	**1999**	**1998**
Consolidated Operating Results							
Revenues	$ 2,008	$ 1,721	$ 2,328	$ 1,808	$ 1,484	$ 1,317	$ 1,188
Earnings From Operations	$ 182	$ 89	$ 147	$ 84	$ 57	$ 40	$ 12
Net Earnings	$ 119	$ 60	$ 97	$ 57	$ 39	$ 26	$ 9
Net Earnings Applicable to Common Shareholders	$ 119	$ 60	$ 97	$ 57	$ 39	$ 26	$ 9
Return on Shareholders Equity (annualized)	39.27%	26.06%	30.9%	22.5%	18.9%	13.8%	4.5%
Basic Net Earnings per Common Share	$ 3.05	$ 1.53	$ 2.49	$ 1.48	$ 1.04	$ 0.64	$ 0.20
Diluted Net Earnings per Common Share	$ 2.88	$ 1.43	$ 2.34	$ 1.41	$ 1.00	$ 0.64	$ 0.20
Common Stock Dividends per Share	$	$	$	$	$	$	$
Consolidated Cash Flows From (Used For):							
Operating Activities	$ 200	$ 179	$ 211	$ 129	$ 86	$ 62	$ 55
Investing Activities	$ (165)	$ (141)	$ (149)	$ (121)	$ (77)	$ (41)	$ (19)
Financing Activities	$ (33)	$ (33)	$ (60)	$ (9)	$ (7)	$ (27)	$ (29)
Consolidated Financial Condition							
(As of period end)							
Cash and Investments	$ 655	$ 518	$ 494	$ 373	$ 275	$ 206	$ 184
Total Assets	$ 950	$ 781	$ 773	$ 594	$ 467	$ 389	$ 363
Debt	$	$ 3	$ 3	$ 4	$ 3	$ 4	$ 2
Shareholders Equity	$ 461	$ 333	$ 347	$ 281	$ 226	$ 187	$ 191
Debt-to-Total-Capital Ratio	0.0%	0.9%	0.9%	1.4%	1.3%	2.1%	1.0%

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MARKET PRICE AND DIVIDEND INFORMATION

Recent Closing Prices

The table below presents the closing price per share of UnitedHealth Group common stock on the New York Stock Exchange, and the closing price per share of MAMSI common stock on the New York Stock Exchange, on October 24, 2003, the last full trading day immediately preceding the public announcement of the proposed merger, and on , the most recent practicable date prior to the mailing of this proxy statement/prospectus, as well as the equivalent stock price plus cash of shares of MAMSI common stock on such dates. The equivalent stock price plus cash of shares of MAMSI common stock represents the closing sales price per share for UnitedHealth Group s common stock on the New York Stock Exchange on October 24, 2003 and , multiplied by the exchange ratio, plus the cash consideration of $18.00 to be paid with respect to each share of MAMSI common stock and reflects an implied premium of $8.61 per share of MAMSI common stock. Keep in mind that the value of the merger consideration to be received by MAMSI stockholders will fluctuate with changes in the price of UnitedHealth Group common stock if the price of UnitedHealth Group s common stock decreases, the merger consideration decreases. There can be no assurances as to the market price of UnitedHealth Group common stock at any time prior to the merger or any time thereafter. Stockholders should obtain current market quotations for shares of UnitedHealth Group common stock and MAMSI common stock prior to making any decision with respect to the merger.

	UnitedHealth Group Common Stock (price per share)	MAMSI Common Stock (price per share)	MAMSI Equivalent Stock Price Plus Cash (price per share)
October 24, 2003	$ 54.25	$ 53.88	$ 62.49
[ ]	$	$	[ ]

Historical Market Price Data

MAMSI s common stock is quoted on the New York Stock Exchange under the symbol MME. UnitedHealth Group s common stock is quoted on the New York Stock Exchange under the symbol UNH.

The following table sets forth the high and low sales prices per share of UnitedHealth Group and MAMSI common stock as adjusted for all stock splits, as reported on the New York Stock Exchange for the periods indicated:

	UnitedHealth Group Common Stock		MAMSI Common Stock	
	High	Low	High	Low
2001				
Quarter ended March 31, 2001	$ 32.18	$ 25.25	$ 20.86	$ 14.69
Quarter ended June 30, 2001	$ 33.70	$ 26.25	$ 21.35	$ 15.00

Quarter ended September 30, 2001	$ 35.00	$ 29.40	$ 23.18	$ 17.50
Quarter ended December 31, 2001	$ 36.40	$ 31.21	$ 23.15	$ 16.60
2002				
Quarter ended March 31, 2002	$ 38.40	$ 33.93	$ 29.14	$ 22.30
Quarter ended June 30, 2002	$ 48.95	$ 37.57	$ 39.75	$ 27.90
Quarter ended September 30, 2002	$ 48.15	$ 40.74	$ 38.17	$ 26.75
Quarter ended December 31, 2002	$ 50.50	$ 37.52	$ 43.20	$ 28.50
2003				
Quarter ended March 31, 2003	$ 46.35	$ 39.20	$ 40.70	$ 29.58
Quarter ended June 30, 2003	$ 52.67	$ 44.10	$ 54.00	$ 38.41
Quarter ended September 30, 2003	$ 56.25	$ 47.25	$ 60.70	$ 45.70
Quarter ended December 31, 2003 (through October 24, 2003)	$ 55.64	$ 49.50	$ 55.65	$ 51.00

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Dividend Information

MAMSI has never paid a cash dividend on its common stock. UnitedHealth Group paid a cash dividend equal to $0.015 per share, split-adjusted, on its common stock for its fiscal years 2001, 2002 and 2003.

Number of Stockholders

As of , 2004, there were approximately stockholders of record of MAMSI common stock, as shown on the records of MAMSI s transfer agent for such shares. As of , 2004, there were approximately shareholders of record of UnitedHealth Group, as shown on the records of UnitedHealth Group s transfer agent for such shares.

Shares Held by Certain Stockholders

Adoption of the merger agreement by MAMSI s stockholders requires the affirmative vote of the holders of a majority of the shares of MAMSI common stock outstanding and entitled to vote at the special meeting. As of , 2004, approximately % of the outstanding shares of MAMSI common stock were held by directors and executive officers of MAMSI and their affiliates. Neither UnitedHealth Group nor any of its directors or executive officers owns any shares of MAMSI stock.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

On October 26, 2003, UnitedHealth Group entered into a definitive agreement to acquire MAMSI. Under the terms of the agreement, holders of MAMSI common stock will receive 0.82 shares of UnitedHealth Group common stock and $18.00 in cash for each share of MAMSI common stock they own. Total consideration for the transaction, to be issued upon closing, is comprised of approximately 38.6 million shares of UnitedHealth Group common stock, valued at approximately $2,050 million based upon the average of UnitedHealth Group s share closing price from October 23, 2003 through October 29, 2003, and approximately $600 million in cash after considering stock option and residual share proceeds.

The unaudited pro forma condensed combined financial information gives effect to the acquisition of MAMSI by UnitedHealth Group as if the acquisition had occurred on January 1, 2002 for purposes of the pro forma condensed combined statements of operations and on September 30, 2003 for purposes of the pro forma condensed combined balance sheet as of September 30, 2003.

Under the purchase method of accounting, the total estimated purchase price is allocated to the net tangible and intangible assets of an acquired entity based on their fair values as of the completion of the transaction. A final determination of these fair values will include management s consideration of a valuation prepared by an independent valuation specialist. This valuation will be based on the actual net tangible and intangible assets of the acquired entity that exist as of the closing date of the transaction, currently estimated to occur in the first quarter of 2004.

Because this unaudited pro forma condensed combined financial information has been prepared based on preliminary estimates of fair values, the actual amounts recorded as of the completion of the transaction may differ materially from the information presented in this unaudited pro forma condensed combined financial information. In addition to the independent valuation, the impact of any integration activities, the timing of completion of the transaction and other changes in MAMSI s net tangible and intangible assets that occur prior to completion of the transaction could cause material differences from the information presented below.

The unaudited pro forma condensed combined financial information should be read in conjunction with the historical consolidated financial statements and accompanying notes of UnitedHealth Group and MAMSI, included in Annexes D, E, G, H, I, J, K, M and N and made part of this proxy statement/prospectus, and the summary historical consolidated financial data included elsewhere in this proxy statement/prospectus. All share and per share amounts have been restated to reflect the UnitedHealth Group two-for-one common stock split that occurred on June 18, 2003. The unaudited pro forma condensed combined financial information is not intended to represent or be indicative of the consolidated results of operations or financial condition of UnitedHealth Group that would have been reported had the transactions been completed as of the dates presented, and should not be taken as representative of the future consolidated results of operations or financial condition of UnitedHealth Group.

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Pro Forma Condensed Combined Statement of Operations

Nine Months Ended September 30, 2003

(Unaudited)

(In millions, except per share amount)

	Historical UnitedHealth Group	Historical MAMSI	Pro Forma Adjustments	Pro Forma Combined
Revenues				
Premiums	$ 18,791	$ 1,961	$	$ 20,752
Services	2,329	34		2,363
Investment and Other Income	180	13		193
Total Revenues	21,300	2,008		23,308
Medical and Operating Costs				
Medical Costs	15,333	1,604		16,937
Operating Costs	3,620	212		3,832
Depreciation and Amortization	222	9	14(4)	245
Total Medical and Operating Costs	19,175	1,825	14	21,014
Earnings From Operations	2,125	183	(14)	2,294
Interest Expense	(71)	(1)	(6)(10)	(78)
Earnings Before Income Taxes	2,054	182	(20)	2,216
Provision for Income Taxes	(736)	(63)	7(11)	(792)
Net Earnings	$ 1,318	$ 119	$ (13)	$ 1,424
Basic Net Earnings Per Common Share	$ 2.23	$ 3.05		$ 2.26
Diluted Net Earnings Per Common Share	$ 2.13	$ 2.88		$ 2.16
Basic Weighted-Average Number of Common Shares Outstanding	592.0	39.1		630.6(12)
Weighted-Average Number of Common Shares Outstanding, Assuming Dilution	620.0	41.4		658.6(12)

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Pro Forma Condensed Combined Statement of Operations

Year Ended December 31, 2002

(Unaudited)

(In millions, except per share amount)

	Historical UnitedHealth Group	Historical MAMSI	Pro Forma Adjustments	Pro Forma Combined
Revenues				
Premiums	$ 21,906	$ 2,269	$	$ 24,175
Services	2,894	44		2,938
Investment and Other Income	220	15		235
Total Revenues	25,020	2,328		27,348
Medical and Operating Costs				
Medical Costs	18,192	1,907		20,099
Operating Costs	4,387	262		4,649
Depreciation and Amortization	255	11	19(4)	285
Total Medical and Operating Costs	22,834	2,180	19	25,033
Earnings From Operations	2,186	148	(19)	2,315
Interest Expense	(90)	(1)	(11)(10)	(102)
Earnings Before Income Taxes	2,096	147	(30)	2,213
Provision for Income Taxes	(744)	(50)	11(11)	(783)
Net Earnings	$ 1,352	$ 97	$ (19)	$ 1,430
Basic Net Earnings Per Common Share	$ 2.23	$ 2.49		$ 2.22
Diluted Net Earnings Per Common Share	$ 2.13	$ 2.34		$ 2.12
Basic Weighted-Average Number of Common Shares Outstanding	606.8	39.2		645.4(12)
Weighted-Average Number of Common Shares Outstanding, Assuming Dilution	636.2	41.7		674.8(12)

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Pro Forma Condensed Combined Balance Sheet

As of September 30, 2003

(Unaudited)

(In millions)

	Historical UnitedHealth Group	Historical MAMSI	Pro Forma Adjustments	Pro Forma Combined
Assets				
Current Assets				
Cash and Cash Equivalents	$ 2,067	$ 9	$	$ 2,076
Short-Term Investments	373	646		1,019
Accounts Receivable, net	880	123		1,003
Assets Under Management	2,024			2,024
Deferred Income Taxes and Other	427	50		477
Total Current Assets	5,771	828		6,599
Long-Term Investments	4,514	22		4,536
Property, Equipment, Capitalized Software and Other Assets, net	1,054	100	20(3)	1,174
Goodwill	3,424		2,004(2)	5,428
Intangible Assets, net	139		360(2)(4)	499
Total Assets	$ 14,902	$ 950	$ 2,384	$ 18,236
Liabilities and Shareholders Equity				
Current Liabilities				
Medical Costs Payable	$ 4,043	$ 340	$	$ 4,383
Accounts Payable and Accrued Liabilities	1,590	88	62(5)	1,740
Other Policy Liabilities	1,802			1,802
Short-Term Debt and Current Maturities of Long-Term Debt	350			350
Unearned Premiums	474	56		530
Total Current Liabilities	8,259	484	62	8,805
Long-Term Debt, less current maturities	1,400		609(1)(6)	2,009
Deferred Income Taxes and Other Liabilities	497	5	126(2)(7)	628
Shareholders Equity				
Common Stock	6	1	(1)(8)	6
Additional Paid-In Capital		673	(673)(8)	2,048
			2,048(1)(9)	
Treasury Stock		(332)	332(8)	
Stock Compensation Trust		(427)	427(8)	
Retained Earnings	4,584	535	(535)(8)	4,584
Accumulated Other Comprehensive Income:				
Net Unrealized Gains on Investments, net of tax effects	156	11	(11)(8)	156

Total Shareholders Equity	4,746	461	1,587	6,794
Total Liabilities and Shareholders Equity	$ 14,902	$ 950	$ 2,384	$ 18,236

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Notes to Unaudited Pro Forma Condensed Combined Financial Information

(1) The unaudited pro forma condensed combined financial information gives effect to the issuance of UnitedHealth Group common stock and cash based upon the exchange ratio of 0.82 shares of UnitedHealth Group common stock and $18.00 of cash for each outstanding share of MAMSI common stock. The cash component of the merger consideration could be decreased and the stock component increased if required to preserve the intended treatment of the merger for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as explained under the caption The Merger Agreement Tax Adjustment beginning on page . Assuming the merger so qualifies as a reorganization, a MAMSI stockholder generally will, for U.S. federal income tax purposes, recognize gain, but not loss, equal to the lesser of (i) the excess, if any, of the fair market value of the UnitedHealth Group common stock and the amount of cash received by the stockholder over that stockholder s adjusted tax basis in the MAMSI common stock exchanged in the merger or (ii) the amount of cash received by the stockholder in the merger; this treatment may not apply to all MAMSI stockholders. For further information concerning U.S. federal income tax consequences of the merger, please see Material U.S. Federal Income Tax Consequences of the Merger beginning on page of this proxy statement/prospectus. The average market price per share of UnitedHealth Group common stock of $53.05 is based upon the average of the closing prices for a range of trading days (October 23, 2003 through October 29, 2003) around the announcement date (October 27, 2003) of the transaction. This results in an estimated purchase price of $2,695 million ($2,048 million in stock, $609 million in cash and $38 million of estimated transaction costs) as follows (in millions, except per share amounts):

Stock Consideration			
UnitedHealth Group average market price per share		$ 53.05	
Exchange ratio		0.82	
Equivalent per share consideration		$ 43.50	
Outstanding shares of MAMSI at October 26, 2003		47.07(a)	
Fair Value of UnitedHealth Group shares to be issued			$ 2,048
Cash Consideration			
Per share cash consideration	$ 18.00		
Net outstanding shares of MAMSI	47.07(a)		
Cash to be paid		$ 847	
Cash estimated to be received from stock option exercises		(238)(b)	
Net cash to be paid			609
Estimated transaction costs			38
Estimated purchase price			$ 2,695

(a) Assumes MAMSI stock options are to be exercised in full. MAMSI stock options become fully exercisable prior to the closing of the transaction and will be canceled if not exercised prior to the effective time of the merger.
(b) Assumes MAMSI stock options will be exercised by cash payment of the exercise price.

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(2) The estimated purchase price of $2,695 million has been preliminarily allocated to acquired tangible and intangible assets and liabilities based upon their estimated fair values as of June 30, 2003 as detailed below (in millions):

Estimated purchase price	$ 2,695
Net tangible assets MAMSI September 30, 2003 balance sheet	(461)
Estimated fair value adjustment land and buildings	(20)
MAMSI employment agreements liability due to change in control	24
Total excess purchase price	2,238
Estimated finite-lived intangible assets	(360)
Deferred tax liability for finite-lived intangible assets	126
Estimated goodwill	$ 2,004

(3) Represents the estimated increase in MAMSI property value as a result of land and building appraisals to be completed at closing.

(4) Finite-lived intangible assets and the associated incremental amortization expense have been estimated as follows (in millions):

	Estimated Fair Value	Estimated Useful Life	Estimated Annual Amortization	Estimated Nine-Months Amortization
Member list	$ 340	20	$ 17	$ 12
Provider and hospital networks	17	20	1	1
Non-compete agreements	3	3	1	1
	$ 360		$ 19	$ 14

(5) Represents an accrual of $38 million for transaction costs and $24 million for additional liabilities to be settled under MAMSI employment agreements as a result of the acquisition.

(6) Represents the borrowing of the net cash to be paid as consideration in the transaction as detailed in note (1).

(7) Represents the deferred tax liability established for the book and tax basis difference of finite-lived intangible assets, which are amortizable for book purposes but not for income tax purposes.

(8) Represents the elimination of MAMSI s equity accounts.

(9) Represents the issuance of UnitedHealth Group stock as consideration paid in the transaction as detailed in note (1).

(10) Represents the estimated interest expense associated with borrowing the net $609 million cash to be paid as consideration in the transaction. The interest rates are based on our current plans of issuing five-year floating-rate debt and our estimated borrowing rates of 1.9% during the year ended December 31, 2002 and 1.4% during the nine month period ended September 30, 2003 for such debt.

(11) Represents the pro forma tax effect of the acquisition of MAMSI based upon the statutory federal income tax rate of 35%.

(12) Represents the increase in weighted average shares outstanding assuming the issuance of 38.6 million shares of UnitedHealth Group common stock at the beginning of the period presented. The share issuance is based upon the 47.07 million outstanding shares of MAMSI stock multiplied by the 0.82 exchange ratio as detailed in note (1).

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UNAUDITED COMPARATIVE PER SHARE DATA

In the following table, UnitedHealth Group and MAMSI provide you with historical and unaudited pro forma combined per share data, after giving effect to the merger and the issuance of 0.82 shares of UnitedHealth Group common stock and the payment of $18.00 in cash in exchange for each share of MAMSI common stock. The cash component of the merger consideration could be decreased and the stock component increased if required to preserve the intended treatment of the merger for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as explained under the caption The Merger Agreement Tax Adjustment beginning on page of this proxy statement/prospectus. Assuming the merger so qualifies as a reorganization, a MAMSI stockholder generally will, for U.S. federal income tax purposes, recognize gain, but not loss, equal to the lesser of (i) the excess, if any, of the fair market value of the UnitedHealth Group common stock and the amount of cash received by the stockholder over that stockholder s adjusted tax basis in the MAMSI common stock exchanged in the merger or (ii) the amount of cash received by the stockholder in the merger; this treatment may not apply to all MAMSI stockholders. For further information concerning U.S. federal income tax consequences of the merger, please see Material U.S. Federal Income Tax Consequences of the Merger beginning on page of this proxy statement/prospectus. This data should be read along with the selected consolidated historical financial data and the historical financial statements of UnitedHealth Group and MAMSI and the notes thereto that are included in Annexes D, E, G, H, I, J, K, M and N and attached hereto and made part hereof. The pro forma information is presented for illustrative purposes only. You should not rely on the pro forma financial information as an indication of the combined financial position or results of operations of future periods or the results that actually would have been realized had the entities been a single entity during the periods presented. The MAMSI equivalent pro forma combined per share data is calculated by multiplying the pro forma combined UnitedHealth Group per share amounts by the exchange ratio of 0.82.

	As of or For the Year Ended December 31, 2002	As of or For the Nine Months Ended September 30, 2003
UnitedHealth Group Historical Per Common Share:		
Basic Net Earnings Per Common Share	$ 2.23	$ 2.23
Diluted Net Earnings Per Common Share	$ 2.13	$ 2.13
Book Value Per Common Share	$ 7.39	$ 8.13
Cash Dividends Per Common Share	$ 0.015	$ 0.015
MAMSI Historical Per Common Share:		
Basic Net Earnings Per Common Share	$ 2.49	$ 3.05
Diluted Net Earnings Per Common Share	$ 2.34	$ 2.88
Book Value Per Common Share	$ 7.38	$ 9.65
Cash Dividends Per Common Share	$	$
Pro Forma Combined Per UnitedHealth Group Common Share:		
Basic Net Earnings Per Common Share	$ 2.22	$ 2.26
Diluted Net Earnings Per Common Share	$ 2.12	$ 2.16
Book Value Per Common Share	n/a	$ 10.91
Cash Dividends Per Common Share	n/a	$ 0.015
Pro Forma Combined Per MAMSI Equivalent Common Share:		
Basic Net Earnings Per Common Share	$ 1.82	$ 1.85
Diluted Net Earnings Per Common Share	$ 1.74	$ 1.77
Book Value Per Common Share	n/a	$ 8.95
Cash Dividends Per Common Share	n/a	$ 0.012

n/a not required to be presented.

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RISK FACTORS

Before you vote for adoption of the merger agreement, you should carefully consider the risks described below in addition to the other information contained in this proxy statement/prospectus, including the section entitled Cautionary Statement Regarding Forward-Looking Statements beginning on page . By voting in favor of the merger, you will be choosing to invest in UnitedHealth Group common stock. The risks and uncertainties described below are not the only ones facing UnitedHealth Group. If any of the following risks actually occur, UnitedHealth Group s business, financial condition or results of operations could be materially adversely affected, the value of UnitedHealth Group s common stock could decline and you may lose all or part of your investment.

Risks Associated with the Merger

The anticipated benefits of acquiring MAMSI may not be realized.

UnitedHealth Group and MAMSI entered into the merger agreement with the expectation that the merger will result in various benefits including, among other things, benefits relating to enhanced revenues, a strengthened market position for UnitedHealth Group in the mid-Atlantic region, cross selling opportunities, technology, cost savings and operating efficiencies. Achieving the anticipated benefits of the merger is subject to a number of uncertainties, including whether UnitedHealth Group integrates MAMSI in an efficient and effective manner, and general competitive factors in the marketplace. Failure to achieve these anticipated benefits could result in increased costs, decreases in the amount of expected revenues, diversion of management s time and energy and could materially impact UnitedHealth Group s business, financial condition and operating results.

UnitedHealth Group may have difficulty and incur substantial costs in integrating MAMSI.

UnitedHealth Group has acquired approximately 40 businesses over the last six years. Although UnitedHealth Group has not experienced any material unanticipated difficulties or expenses in connection with integrating these acquisitions, the possibility exists such difficulties or expenses could be experienced in connection with the MAMSI acquisition, especially given the relatively large size of the proposed transaction. The time and expense associated with converting the business to a common platform and negotiating amended or new contracts with physicians, other health care professionals and facilities, as well as other service providers may exceed management s expectations and limit or delay the intended benefits of the transaction. Similarly, the process of combining sales and marketing and network management forces, consolidating administrative functions, and coordinating product and service offerings can take longer, cost more, and provide fewer benefits than initially projected. To the extent any of these events occurs, the value of the transaction may be reduced, at least for a period of time.

Integrating MAMSI will be a complex, time-consuming and expensive process. Before the merger, UnitedHealth Group and MAMSI operated independently, each with its own business, products, customers, employees, culture and systems.

UnitedHealth Group may face substantial difficulties, costs and delays in integrating MAMSI. These factors may include:

potential difficulty in leveraging the value of the separate technologies of the combined company;

perceived adverse changes in product offerings available to customers or customer service standards, whether or not these changes do, in fact, occur;

managing customer and provider overlap and potential pricing conflicts;

costs and delays in implementing common systems and procedures;

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- difficulty integrating differing distribution models;
- charges to earnings resulting from the application of purchase accounting to the transaction;
- difficulty comparing financial reports due to differing management systems;
- diversion of management resources from the business of the combined company;
- potential incompatibility of business cultures and philosophies;
- the retention of existing customers of each company;
- reduction or loss of customer orders due to the potential for market confusion, hesitation and delay;
- retaining and integrating management and other key employees of the combined company; and
- coordinating infrastructure operations in an effective and efficient manner.

After the merger, we may seek to combine certain operations and functions using common information and communication systems; operating procedures; financial controls; and human resource practices, including training, professional development and benefit programs. We may be unsuccessful in implementing the integration of these systems and processes. UnitedHealth Group operates in all fifty states as well as internationally and conducts business through four related but distinct business segments. UnitedHealth Group employs over 32,000 people. For 2002, UnitedHealth Group s revenues were approximately $25 billion. By contrast, MAMSI s operations are concentrated in six states and the District of Columbia, it has approximately 3,315 employees and, for 2002, its revenues aggregated $2.33 billion. While the companies believe they share similar cultural characteristics and philosophies, the differences in size and scope of operations may affect the companies management processes.

Any one or all of these factors may cause increased operating costs, worse than anticipated financial performance or the loss of customers and employees. Many of these factors are also outside the control of either company.

We must obtain several governmental and other consents to complete the merger, which, if delayed, not granted or granted with unacceptable conditions may jeopardize or postpone the merger, result in additional expense or reduce the anticipated benefits of the transaction.

We must obtain specified approvals and consents in a timely manner from federal and state agencies prior to the completion of the merger. If we do not receive these approvals on terms that satisfy the merger agreement, then we will not be obligated to complete the merger. The governmental agencies from which we seek approvals have broad discretion in administering the regulations. As a condition to approval of the merger, agencies may impose requirements, limitations or costs that could negatively affect the way the combined companies conduct business. UnitedHealth Group is not obligated to complete the merger if an agency imposes a requirement, limitation or additional cost that would reasonably be expected to have a material adverse effect on UnitedHealth Group or MAMSI or that would materially impair the anticipated long-term benefits of the merger. If UnitedHealth Group decides to agree to any material requirements, limitations or costs in order to obtain any approvals required to complete the merger, these requirements, limitations or additional costs could adversely affect UnitedHealth Group s ability to integrate the business of MAMSI or reduce the anticipated benefits of the merger. The merger is subject to the requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which is referred to as the HSR Act, which prevents certain acquisitions from being completed until required information and materials are furnished to the Antitrust Division of the Department of Justice and the Federal Trade Commission and certain waiting periods are terminated or expire. UnitedHealth Group filed its HSR Act notification form on November 3, 2003 and subsequently voluntarily withdrew such filing to allow additional time for the Antitrust Division of the Department of Justice to review the proposed transaction. UnitedHealth Group refiled its HSR Act notification form on December 5, 2003 and the waiting period expired on January 5, 2004 without any additional request for information. The parties expect that the transaction will close in the first quarter of 2004.

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UnitedHealth Group is required to file State Department of Insurance Form A Filings in Maryland, North Carolina and Pennsylvania. All filings were made shortly after the public announcement of the proposed transaction. The parties are working with the insurance regulators to address the statutory approval requirements and expect to receive the necessary approvals for these Form A filings early in the first quarter of 2004.

UnitedHealth Group is also required to file State Department of Insurance Form E filings in five additional jurisdictions. These filings were also made shortly after the public announcement of the proposed transaction and all such Form E approvals have either been obtained or are expected shortly.

No material commercial third party consents or approvals are required in connection with the proposed transaction.

The value of the shares of UnitedHealth Group common stock that MAMSI stockholders receive in the merger will vary as a result of the fixed exchange ratio and fluctuations in the price of UnitedHealth Group s common stock.

At the effective time of the merger, each outstanding share of MAMSI common stock will be converted into 0.82 shares of UnitedHealth Group common stock and $18.00 in cash. The ratio at which the shares will be converted is fixed and any changes in the price of UnitedHealth Group common stock will affect the value of the consideration that MAMSI stockholders receive in the merger such that if the price of UnitedHealth Group common stock declines prior to completion of the merger, the value of the merger consideration to be received by MAMSI stockholders will decrease. Stock price variations could be the result of changes in the business, operations or prospects of UnitedHealth Group, MAMSI or the combined company, market assessments of the likelihood that the merger will be completed within the anticipated time or at all, general market and economic conditions and other factors which are beyond the control of UnitedHealth Group or MAMSI. Recent market prices of UnitedHealth Group common stock and MAMSI common stock are set forth on page under the heading Market Price and Dividend Information.

In order to preserve the intended treatment of the merger for U.S. Federal income tax purposes as a reorganization with the meaning of Section 368(a) of the Internal Revenue Code, the cash component of the merger consideration could be decreased and the stock component increased if on the effective date the aggregate value of the total UnitedHealth Group shares of common stock to be delivered to specified MAMSI stockholders (i.e. all MAMSI stockholders other than the Stock Compensation Trust and those who acquire their shares of MAMSI common stock from the Stock Compensation Trust or from MAMSI after October 26, 2003) is less than 45% of the value of the total consideration to be delivered to those MAMSI stockholders (which, for this purpose, includes amounts paid in lieu of fractional shares and amounts paid to dissenters), as explained under the caption The Merger Agreement Tax Adjustment, beginning on page of this proxy statement/prospectus. If such an adjustment were to occur, the value of the total consideration to be received by MAMSI stockholders will be more sensitive to changes in the price of UnitedHealth Group common stock.

We encourage MAMSI stockholders to obtain current market quotations for UnitedHealth Group common stock and MAMSI common stock. The price of UnitedHealth Group common stock and MAMSI common stock at the effective time of the merger may vary from their prices on the date of this proxy statement/prospectus. The historical prices of UnitedHealth Group s common stock and MAMSI s common stock included in this proxy statement/prospectus are not indicative of their prices on the date the merger is effective. The future market prices of UnitedHealth Group common stock and MAMSI common stock cannot be guaranteed or predicted.

A MAMSI stockholder s receipt of cash in the merger may result in the recognition of taxable income.

Assuming the merger is treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, MAMSI stockholders generally will recognize gain but not loss, for U.S. federal income tax purposes as a result of the merger but generally will not recognize gain in excess of the cash they receive in the merger. For further information concerning U.S. federal income tax consequences of the merger, please see Material U.S. Federal Income Tax Consequences of the Merger, beginning on page . Assuming the merger so qualifies as a reorganization, a MAMSI stockholder generally will, for U.S. federal income tax purposes, recognize gain, but not loss, equal to the lesser of (i) the excess, if any, of the fair market value of the UnitedHealth Group common stock and the amount of cash received by the stockholder over that stockholder s adjusted tax basis in the MAMSI common stock exchanged in the merger or (ii) the amount of cash received by the stockholder in the merger; this treatment may not apply to all MAMSI stockholders. For further information concerning U.S. federal income tax consequences of the merger, please see Material U.S. Federal Income Tax Consequences of the Merger beginning on page of this proxy statement/prospectus.

The merger may result in a loss of customers and partners.

Some customers may seek alternative sources of product and/or service after the announcement of the merger due to, among other reasons, a desire not to do business with the combined company or perceived concerns that the combined company may not continue to support and develop certain product lines. The combined company could experience some customer attrition by reason of announcement of the merger or after the merger. Difficulties in combining operations could also result in the loss of partners and potential disputes or litigation with customers, partners or others. Any steps by management to counter such potential increased customer or partner attrition may not be effective. Failure by management to control attrition could result in worse than anticipated financial performance.

If the conditions to the merger are not met, the merger will not occur.

Specified conditions set forth in the merger agreement must be satisfied or waived to complete the merger. If the conditions are not satisfied or waived, the merger will not occur or will be delayed, and UnitedHealth Group and MAMSI each may lose some or all of the intended benefits of the merger. The following conditions, in addition to other customary closing conditions, must be satisfied or waived before completion of the merger:

- the merger agreement must be adopted by the holders of a majority of the outstanding shares of MAMSI common stock as of the record date;
- the waiting period under the HSR Act must have been terminated or expired;
- specified governmental consents must be obtained without conditions which would reasonably be expected to have a material adverse effect on UnitedHealth Group or MAMSI or materially impair the anticipated long-term benefits of the merger;
- the shares of UnitedHealth Group common stock issuable to MAMSI stockholders must have been approved for listing, subject to official notice of issuance, on the New York Stock Exchange;
- each party must have received an opinion of counsel to the effect that the merger will qualify as a reorganization with the meaning of Section 368(a) of the Internal Revenue Code;
- there must be no litigation or other proceeding by a governmental entity pending or threatened seeking (i) to prohibit the ownership or operation of MAMSI by UnitedHealth Group; (ii) to impair the ownership or operation of MAMSI by UnitedHealth Group (including by requiring disposal of assets) or (iii) damages, which, in the case of (ii) or (iii), would reasonably be expected to have a material

adverse effect on UnitedHealth Group or MAMSI or materially impair the anticipated long-term benefits of the merger;

there must be no legal restraint in effect which would reasonably be likely to have any of the effects set forth in (i) through (iii) of the above bullet point;

the representations and warranties of each party set forth in the merger agreement must be true and correct without giving effect to any qualification as to materiality or material adverse effect, except where the failure to be true and correct would not reasonably be likely to have a material adverse effect on such party, in each case as of the date of the merger agreement and the date the merger is completed;

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the parties to the merger agreement must have performed in all material respects all of their agreements and covenants required by the merger agreement; and

the registration statement, of which this proxy statement/prospectus is a part, must be effective under the Securities Act of 1933 and must not be the subject of any stop order or pending or threatened proceeding seeking a stop order.

UnitedHealth Group and MAMSI may waive one or more of the conditions to the merger without resoliciting stockholder approval for the merger.

Each of the conditions to UnitedHealth Group s and MAMSI s obligations to complete the merger may be waived, in whole or in part, to the extent permitted by applicable law, by agreement of UnitedHealth Group and MAMSI if the condition is a condition to both UnitedHealth Group s and MAMSI s obligations to complete the merger, or by the party for which such condition is a condition of its obligation to complete the merger. The boards of directors of UnitedHealth Group and MAMSI will evaluate the materiality of any such waiver to determine whether amendment of this proxy statement/prospectus and resolicitation of proxies is necessary. However, UnitedHealth Group and MAMSI generally do not expect any such waiver to be significant enough to require resolicitation of stockholders. In the event that any such waiver is not determined to be significant enough to require resolicitation of stockholders, the companies will have the discretion to complete the merger without seeking further stockholder approval.

Some directors and officers of MAMSI have interests that differ from those of MAMSI stockholders in recommending that MAMSI stockholders vote in favor of adoption of the merger agreement.

Certain executive officers and directors of MAMSI have interests in the merger that are different from and in addition to the interests of MAMSI stockholders generally. Mark D. Groban, Chairman of the Board of Directors, Thomas P. Barbera, President and Chief Executive Officer, Robert E. Foss, Senior Executive Vice President and Chief Financial Officer, and Sharon C. Pavlos, Associate Senior Executive Vice President and General Counsel, have entered into employment agreements with UnitedHealth Group that become effective upon completion of the merger. These agreements provide for the payment of a post-merger integration bonus to such executive officers, subject to the discretion of UnitedHealth Group, in the following amounts: for Dr. Groban, up to $650,000 per year, payable on the first anniversary of the effective date of his employment agreement; for Mr. Barbera and Mr. Foss, up to $400,000 per year, payable on the first and second anniversaries of the effective dates of their employment agreements; and for Ms. Pavlos, up to $300,000 per year, payable on the first and second anniversaries of the effective date of her employment agreement. Dr. Groban, Mr. Barbera, Mr. Foss and Ms. Pavlos also will receive change in control benefits upon completion of the merger estimated at the following aggregate amounts (assuming a closing date of February 1, 2004): for Dr. Groban, $8,786,139; for Mr. Barbera, $7,838,087; for Mr. Foss, $5,775,221; and for Ms. Pavlos, $2,566,860.

In addition, in connection with the merger, stock options granted to MAMSI executive officers and directors will become fully vested, to the extent they have not already become so, and immediately exercisable in accordance with MAMSI s stock option plans. Currently, Dr. Groban holds outstanding options for 827,750 shares of MAMSI common stock, with an exercise price range of $8.31 to $32.40 per share; Mr. Barbera holds options for 870,750 shares of MAMSI common stock, with an exercise price range of $8.31 to $32.40 per share; Mr. Foss holds options for 640,000 shares of MAMSI common stock, with an exercise price range of $16.75 to $32.40 per share; and Ms. Pavlos holds options for 345,000 shares of MAMSI common stock, with an exercise price range of $16.75 to $32.40 per share. All such options have become fully vested, or will become fully vested, prior to the consummation of the merger, and will not be subject to accelerated vesting as a consequence of the merger. However, pursuant to the terms of their existing employment agreements, Dr. Groban, Mr. Barbera, Mr. Foss and Ms. Pavlos were entitled to receive an option grant effective as of January 1, 2004, with an exercise price equal to the fair market value of MAMSI common stock on the date of grant. The existing employment agreements require minimum option grants for shares of MAMSI common stock in the following amounts: 150,000 shares each to Dr. Groban and Mr. Barbera; 130,000 shares to Mr. Foss; and 100,000 shares to

Ms. Pavlos. In previous years, the MAMSI board of directors approved option grants in excess of the employment agreement minimums. If the MAMSI board of directors were to apply the same option award determination formula for these grants of options as it did for option grants made for 2002 and 2003, the aggregate number of shares subject to such options could be up to approximately 1,100,000, which is the same number of shares still available for option grants under MAMSI s stock plans. While it is expected that the historical option award formula will be applied to options granted in 2004, and that the maximum number of shares subject to options will be awarded, such awards remain subject to further board action by MAMSI. Pursuant to the terms of the merger agreement, MAMSI must receive the written consent of UnitedHealth Group prior to granting such options. UnitedHealth Group has indicated that it expects to approve grants of options to these individuals in the indicated aggregate amount. To the extent these additional options are not fully vested and immediately exercisable upon grant, such options will be accelerated as a result of the merger and will become fully vested and immediately exercisable upon the consummation of the merger. See Interests of Certain Persons in the Merger Stock Options beginning on page .

UnitedHealth Group also agreed in the merger agreement to indemnify and provide liability insurance to MAMSI s officers and directors. The directors of UnitedHealth Group and MAMSI knew about these additional interests and considered them when they approved the merger.

Such interests may influence directors in making their recommendation that you vote in favor of the merger agreement and officers in supporting the merger. For more information about these interests, please see Interests of Certain Persons in the Merger on page .

The value of the shares of UnitedHealth Group common stock that MAMSI stockholders receive in the merger, as well as the percentage of the outstanding shares of capital stock of UnitedHealth Group held by MAMSI stockholders following the merger, may decline as a result of additional acquisitions by UnitedHealth Group in the future.

UnitedHealth Group may, as part of its business strategy, pursue additional acquisitions of companies or businesses. Any acquisition strategy is subject to inherent risk and UnitedHealth Group cannot guarantee that it will be able to complete any acquisition, including the ability to identify potential partners, successfully negotiate economically beneficial terms, successfully integrate such business, retain its key employees and achieve the anticipated revenue, cost benefits or synergies. For example, in November 2003 UnitedHealth Group completed its acquisition of Golden Rule Financial Corporation for approximately $500 million in cash. UnitedHealth Group may be unable to integrate Golden Rule s personnel and culture, employee benefits, products, supplier relationships and information technology into the larger UnitedHealth Group organization. Additionally, UnitedHealth Group may issue additional shares in connection with any future acquisition which could dilute the holdings of UnitedHealth Group common stock by former MAMSI stockholders.

Risks Related to UnitedHealth Group s Business

UnitedHealth Group must effectively manage its health care costs.

Under risk-based product arrangements, UnitedHealth Group assumes the risk of both medical and administrative costs for its customers in return for a monthly premium. Premium revenues from risk-based products (excluding AARP) comprise approximately 75% of UnitedHealth Group s total consolidated revenues. UnitedHealth Group uses approximately 80% to 85% of its premium revenues to pay the costs of health care services delivered to its customers. The profitability of UnitedHealth Group s risk-based products depends in large part on its ability to predict accurately, price for, and manage effectively health care costs. Total health care costs are affected by the number of individual services rendered and the cost of each service. UnitedHealth Group s premium revenue is typically fixed in price for a 12-month period and is generally priced one to four months before contract commencement. Services are delivered and related costs are incurred when the contract commences. Although UnitedHealth Group bases the premiums it charges on its estimate of future health care costs over the fixed premium period, inflation, regulations and other factors may cause actual costs to exceed

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what was estimated and reflected in premiums. These factors may include increased use of services, increased cost of individual services, catastrophes, epidemics, the introduction of new or costly treatments, new mandated benefits or other regulatory changes, insured population characteristics and seasonal changes in the level of health care use. Relatively small differences between predicted and actual medical costs as a percentage of premium revenues can result in significant changes in UnitedHealth Group s financial results. For example, if medical costs increased by an additional one percent for UnitedHealthcare s commercial insured products, UnitedHealth Group s annual net earnings for 2002 would have been reduced by approximately $70 million. In addition, the financial results UnitedHealth Group reports for any particular period include estimates of costs incurred for which the underlying claims have not been received by UnitedHealth Group or for which the claims have been received but not processed. If these estimates prove too high or too low, the effect of the change would be included in future results.

UnitedHealth Group faces intense competition in many of its markets and customers have flexibility in moving between competitors.

UnitedHealth Group s businesses compete throughout the United States and face significant competition in all of the geographic markets in which they operate. For UnitedHealth Group s Uniprise and Health Care Services businesses, competitors include Aetna, Anthem, Cigna, Coventry, Humana, PacifiCare, Oxford, WellPoint, numerous for profit and not for profit organizations operating under licenses from the Blue Cross Blue Shield Association and other enterprises concentrated in more limited geographic areas. UnitedHealth Group s Specialized Care Services and Ingenix business segments also compete with a number of businesses. Moreover, UnitedHealth Group believes the barriers to entry in many markets are not substantial, so the addition of new competitors can occur relatively easily, and customers enjoy significant flexibility in moving to competitors. These competitors in particular markets may have capabilities that give them a competitive advantage. Greater market share, established reputation, superior supplier arrangements, existing business relationships, and other factors all can provide a competitive advantage. In addition, significant merger and acquisition activity has occurred in the industries in which UnitedHealth Group operates, both as to its competitors and suppliers to these industries. This level of consolidation makes it more difficult for UnitedHealth Group to retain or increase customers, to improve the terms on which it does business with its suppliers, and to maintain or advance its profitability.

UnitedHealth Group s relationship with AARP is significant to its Ovations business.

Under UnitedHealth Group s 10-year contract with AARP which UnitedHealth Group entered into in 1998, UnitedHealth Group provides Medicare Supplement and Hospital Indemnity health insurance and other products to AARP members. As of September 30, 2003, UnitedHealth Group s portion of AARP s insurance program represented approximately $3.9 billion in annual net premium revenue from approximately 3.7 million AARP members. UnitedHealth Group s AARP contract may be terminated early by UnitedHealth Group or AARP under certain circumstances, including a material breach by either party, insolvency of either party, a material adverse change in the financial condition of either party, and by mutual agreement. The success of UnitedHealth Group s AARP arrangement depends, in part, on UnitedHealth Group s ability to service AARP and its members, develop additional products and services, price the products and services competitively, and respond effectively to federal and state regulatory changes. Additionally, events that adversely affect AARP or one of its other business partners for its member insurance program could have an adverse effect on the success of UnitedHealth Group s arrangement with AARP. For example, if consumers were dissatisfied with the products AARP offered or its reputation, if federal legislation limited opportunities in the Medicare market, or if the services provided by AARP s other business partners were unacceptable, UnitedHealth Group s business could be adversely affected.

The effects of the new Medicare reform legislation on UnitedHealth Group s business are uncertain.

Recently enacted Medicare reform legislation is complex and wide-ranging. There are numerous provisions in the legislation that will influence UnitedHealth Group s business, although at this early stage, it is difficult to predict the extent to which UnitedHealth Group s businesses will be affected. While uncertain as to impact,

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UnitedHealth Group believes the increased funding provided in the legislation will intensify competition in the seniors health services market.

UnitedHealth Group s business is subject to intense government scrutiny and UnitedHealth Group must respond quickly and appropriately to frequent changes in government regulations.

UnitedHealth Group s business is regulated at the federal, state, local and international levels. The laws and rules governing UnitedHealth Group s business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Existing or future laws and rules could force UnitedHealth Group to change how it does business, restrict revenue and enrollment growth, increase its health care and administrative costs and capital requirements, and increase its liability in federal and state courts for coverage determinations, contract interpretation and other actions. UnitedHealth Group must obtain and maintain regulatory approvals to market many of its products, to increase prices for certain regulated products and to consummate its acquisitions and dispositions. Delays in obtaining or UnitedHealth Group s failure to obtain or maintain these approvals could reduce its revenue or increase its costs.

UnitedHealth Group participates in federal, state and local government health care coverage programs. These programs generally are subject to frequent change, including changes that may reduce the number of persons enrolled or eligible, reduce the amount of reimbursement or payment levels, or increase UnitedHealth Group s administrative or health care costs under such programs. Such changes have adversely affected UnitedHealth Group s financial results and willingness to participate in such programs in the past and may do so in the future.

State legislatures and Congress continue to focus on health care issues. Legislative and regulatory proposals at state and federal levels may affect certain aspects of UnitedHealth Group s business, including contracting with physicians, hospitals and other health care professionals; physician reimbursement methods and payment rates; coverage determinations; claim payments and processing; use and maintenance of individually identifiable health information; medical malpractice litigation; and government-sponsored programs. UnitedHealth Group cannot predict if any of these initiatives will ultimately become binding law or regulation, or, if enacted, what their terms will be, but their enactment could increase UnitedHealth Group s costs, expose it to expanded liability, require it to revise the ways in which it conducts business or put it at risk for a loss of business.

UnitedHealth Group is also subject to various governmental investigations, audits and reviews. Such oversight could result in UnitedHealth Group s loss of licensure or it right to participate in certain programs, or the imposition of civil or criminal fines, penalties and other sanctions. In addition, disclosure of any adverse investigation or audit results or sanctions could damage UnitedHealth Group s reputation in various markets and make it more difficult for it to sell its products and services. UnitedHealth Group is currently involved in various governmental investigations, audits and reviews. These include routine, regular and special investigations, audits and reviews by the Centers for Medicare and Medicaid Services, state insurance and health and welfare departments, and state attorneys general, the Office of Personnel Management, the Office of the Inspector General and U.S. Attorneys. The results of pending matters are always uncertain.

UnitedHealth Group is dependent on its relationships with physicians, hospitals and other health care providers.

UnitedHealth Group contracts with physicians, hospitals, pharmaceutical benefit service providers and pharmaceutical manufacturers, and other health care providers for favorable prices. A number of organizations are advocating for legislation that would exempt certain of these physicians and health care professionals from federal and state antitrust laws. In any particular market, these physicians and health care professionals could refuse to contract, demand higher payments, or take other actions that could result in higher health care costs, less desirable products for customers or difficulty meeting regulatory or accreditation requirements. In some markets, certain health care providers, particularly hospitals, physician/hospital organizations or multi-specialty physician groups, may have significant market positions or near monopolies that could result in diminished bargaining power on UnitedHealth Group s part.

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The nature of UnitedHealth Group s business exposes it to significant litigation risks and its insurance coverage may not be sufficient to cover some of the costs associated with litigation.

Sometimes UnitedHealth Group becomes a party to the types of legal actions that can affect any business, such as employment and employment discrimination-related suits, employee benefit claims, breach of contract actions, tort claims, shareholder suits, and intellectual property-related litigation. In addition, because of the nature of UnitedHealth Group s businesses, it is routinely made party to a variety of legal actions related to the design, management and offerings of its services. These matters include, but are not limited to, claims related to health care benefits coverage, medical malpractice actions, contract disputes and claims related to disclosure of certain business practices. In 1999, a number of class action lawsuits were filed against UnitedHealth Group and virtually all major entities in the health benefits business. The suits are purported class actions on behalf of certain customers and physicians for alleged breaches of federal statutes, including ERISA and the Racketeer Influenced Corrupt Organization Act (RICO). Although the expenses which UnitedHealth Group has incurred to date in defending the 1999 class action have not been material to its business, it will continue to incur expenses in the defense of the 1999 class action litigation and other matters, even if they are without merit.

Following the events of September 11, 2001, the cost of business insurance coverage has increased significantly. As a result, UnitedHealth Group has increased the amount of risk that it self-insures, particularly with respect to matters incidental to its business. UnitedHealth Group believes that it is adequately insured for claims in excess of its self-insurance, however, certain types of damages, such as punitive damages, are not covered by insurance. UnitedHealth Group records liabilities for its estimates of the probable costs resulting from self-insured matters. Although UnitedHealth Group believes the liabilities established for these risks are adequate, it is possible that the level of actual losses may exceed the liabilities recorded.

UnitedHealth Group s businesses depend significantly on effective information systems and the integrity of the data it uses to run these businesses.

UnitedHealth Group s ability to adequately price its products and services, provide effective and efficient service to its customers, and to accurately report its financial results depends significantly on the integrity of the data in UnitedHealth Group s information systems. As a result of UnitedHealth Group s acquisition activities, it has acquired additional systems. UnitedHealth Group has been taking steps to reduce the number of systems it operates and has upgraded and expanded its information systems capabilities. If the information UnitedHealth Group relies upon to run its businesses was found to be inaccurate or unreliable or if it fails to maintain effectively its information systems and data integrity, it could lose existing customers, have difficulty in attracting new customers, have problems in determining medical cost estimates and establishing appropriate pricing, have customer and physician and other health care provider disputes, have regulatory problems, have increases in operating expenses or suffer other adverse consequences.

UnitedHealth Group depends on independent third parties, such as IBM and Medco Health Solutions, Inc., with whom it has entered into agreements, for significant portions of its data center operations and pharmacy benefits management and processing. Even though UnitedHealth Group has appropriate provisions in its agreements with IBM and Medco, including provisions with respect to specific performance standards, covenants, warranties, audit rights, indemnification, and other provisions, UnitedHealth Group s dependence on these third parties makes its operations vulnerable to their failure to perform adequately under the contracts, due to internal or external factors. Although there are a limited number of service organizations with the size, scale and capabilities to effectively provide certain of these services, especially with regard to pharmacy benefits processing, UnitedHealth Group believes that other organizations could provide similar services on comparable terms. A change in service providers, however, could result in a decline in service quality and effectiveness or less favorable contract terms.

UnitedHealth Group must comply with emerging restrictions on patient privacy, including taking steps to ensure compliance by its business associates who obtain access to sensitive patient information when providing services to UnitedHealth Group.

The use of individually identifiable data by UnitedHealth Group s businesses is regulated at international, federal and state levels. These laws and rules are changed frequently by legislation or administrative interpretation. Varying state laws address the use and maintenance of individually identifiable health data. Most are derived from the privacy provisions in the federal Gramm-Leach-Bliley Act and HIPAA. HIPAA also imposes guidelines on UnitedHealth Group s business associates (as this term is defined in the HIPAA regulations). Even though UnitedHealth Group provides for appropriate protections through its contracts with its business associates, it still has limited control over their actions and practices. Compliance with emerging proposals and new regulations may result in cost increases due to necessary systems changes, the development of new administrative processes, and the effects of potential noncompliance by UnitedHealth Group s business associates. They also may impose further restrictions on UnitedHealth Group s use of patient identifiable data that is housed in one or more of UnitedHealth Group s administrative databases.

UnitedHealth Group s knowledge and information-related businesses depend significantly on maintaining proprietary rights to its databases and related products.

UnitedHealth Group relies on its agreements with customers, confidentiality agreements with employees, and its trade secrets, copyrights and patents to protect its proprietary rights. These legal protections and precautions may not prevent misappropriation of its proprietary information. In addition, substantial litigation regarding intellectual property rights exists in the software industry, and UnitedHealth Group expects software products to be increasingly subject to third-party infringement claims as the number of products and competitors in this industry segment grows. Such litigation and misappropriation of UnitedHealth Group s proprietary information could hinder its ability to market and sell products and services.

The effects of the war on terror and future terrorist attacks could have a severe impact on the health care industry.

The terrorist attacks launched on September 11, 2001, the war on terrorism, the threat of future acts of terrorism and the related concerns of customers and providers have negatively affected, and may continue to negatively affect, the U.S. economy in general and UnitedHealth Group s industry specifically. Depending on the government s actions and the responsiveness of public health agencies and insurance companies, future acts of terrorism and bio-terrorism could lead to, among other things, increased use of health care services including, without limitation, hospital and physician services; loss of membership in health plans UnitedHealth Group administers as a result of lay-offs or other reductions of employment; adverse effects upon the financial condition or business of employers who sponsor health care coverage for their employees; disruption of UnitedHealth Group s information and payment systems; increased health care costs due to restrictions on UnitedHealth Group s ability to carve out certain categories of risk, such as acts of terrorism; and disruption of the financial and insurance markets in general.

The market price of UnitedHealth Group s common stock may be particularly sensitive due to the nature of the business in which it operates.

The market prices of the securities of the publicly-held companies in UnitedHealth Group s industry have shown volatility and sensitivity in response to many external factors, including general market trends, public communications regarding managed care, litigation and judicial decisions, legislative or regulatory actions, health care cost trends, pricing trends, competition, earnings, membership reports of particular industry participants and acquisition activity. Despite UnitedHealth Group s specific outlook or prospects, the market price of UnitedHealth Group s common stock may decline as a result of any of these external factors. By way of illustration, UnitedHealth Group s stock price has ranged from $35.33 on December 31, 2001 to $58.18 on December 31, 2003 (as adjusted to reflect stock splits and dividends).

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be made directly in this proxy statement/prospectus referring to UnitedHealth Group or MAMSI, including the Annexes attached hereto and made part hereof, and may include statements regarding the period following completion of the merger. These statements

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are intended to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements are based on current projections about operations, industry, financial condition and liquidity. Words such as may, will, should, plan, predict, potential, anticipate, estimate, expect, project, intend, believe and words and terms of s connection with any discussion of future operating or financial performance, the merger or our businesses, identify forward- looking statements. You should note that the discussion of UnitedHealth Group s and MAMSI s reasons for the merger and the description of MAMSI s financial advisors opinions contain many forward-looking statements that describe beliefs, assumptions and estimates as of the indicated dates and those forward-looking expectations may have changed as of the date of this proxy statement/prospectus. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Those statements are not guarantees and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results could differ materially and adversely from these forward-looking statements.

Health benefits companies operate in a highly competitive, constantly changing environment that is significantly influenced by aggressive marketing and pricing practices of competitors, regulatory oversight and organizations that have resulted from business combinations. The following is a summary of factors, the results of which, either individually or in combination, if markedly different from our planning assumptions, could cause our results to differ materially from those expressed in any forward-looking statements contained in this proxy statement/prospectus, including the Annexes attached hereto and made part hereof:

- trends in health care costs and utilization rates
- ability to secure sufficient premium rate increases;
- competitor pricing below market trends of increasing costs;
- increased government regulation of health benefits and managed care;
- significant acquisitions or divestitures by major competitors;
- introduction and utilization of new prescription drugs and technology;
- a downgrade in our financial strength ratings;
- litigation targeted at health benefits companies;
- ability to contract with providers consistent with past practice;
- general economic downturns;
- the level of realization, if any, of expected cost savings and other synergies from the merger;

- difficulties related to the integration of the business of UnitedHealth Group and MAMSI may be greater than expected; and
- revenues following the merger may be lower than expected.

The above list is not intended to be exhaustive and there may be other factors that would preclude us from realizing the predictions made in the forward-looking statements. Because such forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. UnitedHealth Group shareholders and MAMSI stockholders are cautioned not to place undue reliance on such statements, which speak only as of the date of this proxy statement/prospectus or the date of the financial advisors opinions.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to UnitedHealth Group or MAMSI or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, neither UnitedHealth Group nor MAMSI undertakes any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events.

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THE SPECIAL MEETING OF MAMSI STOCKHOLDERS

This proxy statement/prospectus is furnished in connection with the solicitation of proxies from the holders of MAMSI common stock by the MAMSI board of directors for use at the special meeting of MAMSI stockholders. The purpose of the special meeting is for you to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated October 26, 2003, by and among UnitedHealth Group, MU Acquisition LLC, a wholly owned subsidiary of UnitedHealth Group, and MAMSI, and the transactions contemplated by the merger agreement, including the merger of MAMSI with and into MU Acquisition LLC. A copy of the merger agreement is attached to this proxy statement/prospectus as Annex A and made part hereof.

This proxy statement/prospectus is first being furnished to MAMSI stockholders on or about , 2004.

Date, Time and Place of the Special Meeting

The special meeting will be held on , 2004 at 10:00 a.m. local time at the offices of MAMSI at 10 Taft Court, Rockville, Maryland 20850.

Matters to be Considered at the Special Meeting

At the special meeting, stockholders of MAMSI will be asked to (i) consider and vote upon a proposal to adopt the merger agreement, (ii) to consider and vote on a proposal to authorize the proxies to vote to adjourn or postpone the special meeting, in their sole discretion, for the purpose of soliciting additional votes for the adoption of the merger agreement, and (iii) to transact such other business as may properly come before the special meeting or any postponements or adjournments thereof. Adoption of the merger agreement will also constitute approval of the merger and the other transactions contemplated by the merger agreement.

Record Date and Shares Entitled to Vote

MAMSI s board of directors has fixed the close of business on , 2004 as the record date for determination of MAMSI stockholders entitled to notice of and to vote at the special meeting. As of the close of business on , 2004, there were shares of MAMSI common stock outstanding and entitled to vote, held of record by approximately stockholders. A majority of these shares, present in person or represented by proxy, will constitute a quorum for the transaction of business. If a quorum is not present, it is expected that the special meeting will be adjourned or postponed to solicit additional proxies. Each MAMSI stockholder is entitled to one vote for each share of MAMSI common stock held as of the record date.

Vote Required

Adoption of the merger agreement by MAMSI s stockholders is required by the Delaware General Corporation Law. Such adoption requires the affirmative vote of the holders of a majority of the shares of MAMSI common stock outstanding on the record date and entitled to vote at the special meeting. Authorizing the proxies to vote to adjourn or postpone the special meeting for the purpose of soliciting additional votes for the adoption of the merger agreement will require the affirmative vote of MAMSI stockholders representing a majority of the shares of MAMSI common stock present and entitled to vote at the special meeting. The directors and executive officers of MAMSI beneficially own approximately % of the outstanding shares of MAMSI common stock, including options exercisable within 60 days, as of the record date. As of the record date and the date of this proxy statement/prospectus, neither UnitedHealth Group nor any of its directors or officers owned any shares of MAMSI common stock.

Voting of Proxies; Revocation of Proxies

If you vote your shares of MAMSI common stock by signing and returning the enclosed proxy in the enclosed prepaid and addressed envelope, by telephone or by the internet, your shares, unless your proxy is revoked, will be voted at the special meeting as you indicate on your proxy. If no instructions are indicated on

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your signed proxy card, your shares will be voted FOR adoption of the merger agreement and authorization of the proxies to vote for the adjournment or postponement of the special meeting for the purpose of soliciting additional votes.

You are urged to mark the box on the proxy card, following the instructions included on your proxy card, to indicate how to vote your shares. To vote by telephone or the Internet, please follow the instructions included on your proxy card. If you vote by telephone or the Internet you do not need to complete and mail your proxy card. Votes by telephone or the Internet must be received by .m., eastern time, on , 2004. Voting by telephone or the Internet will not affect your right to vote in person should you decide to attend the special meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct such institution on how to vote your shares. Your broker or bank will vote your shares only if you provide instructions on how to vote by following the information provided to you by your broker or bank. If you do not instruct your broker, bank or other nominee, they will not be able to vote your shares.

MAMSI s board of directors does not presently intend to bring any other business before the special meeting and, so far as is presently known to MAMSI s board of directors, no other matters are to be brought before the special meeting. As to any business that may properly come before the special meeting, however, it is intended that proxies, in the form enclosed, will be voted in respect thereof in accordance with the judgment of the persons voting such proxies.

You may revoke your proxy at any time prior to its use by delivering to the Secretary of MAMSI, at MAMSI s offices at 4 Taft Court, Rockville, Maryland 20850, a signed notice of revocation, by granting a duly executed later-dated, signed proxy or by submitting a later-dated proxy by telephone or the Internet, or if you are a holder of record by attending the special meeting and voting in person. If you hold your shares in street name you must get a proxy from your broker, bank or other custodian to vote your shares in person at the special meeting. Attendance at the special meeting does not in itself constitute the revocation of a proxy.

Holders of MAMSI Options

If you hold unexercised options (whether or not vested) to purchase shares of MAMSI common stock, you will receive with this proxy statement/prospectus voting instruction forms, that instruct you how to vote a portion of the MAMSI common stock held by the trustee of the Stock Compensation Trust. Each option holder will have the right to vote a number of shares under the Stock Compensation Trust equal to the total number of shares of MAMSI common stock held in the Stock Compensation Trust, divided by the number of option holders on the record date. Neither MAMSI nor the trustee can exercise discretion as to the voting of shares in the Stock Compensation Trust. If you hold unexercised options and do not provide instructions, or if your instructions are not received in a timely manner, your portion of the shares held by the Stock Compensation Trust will be voted in the same proportion to the shares for which the trustee has received timely instructions from other holders of unexercised options. Because the trustee for the Stock Compensation Trust must process voting instructions from holders of unexercised options before the date of the special meeting, you are urged to deliver your instructions well in advance of the special meeting. The deadline for returning your instructions is , 2004. If you vote your portion of the shares held by the Stock Compensation Trust and then wish to revoke your instructions, you should submit a notice of revocation to the trustee as soon as possible.

If you hold shares of MAMSI common stock through your interest in MAMSI s 401(k) plans, you will receive voting instruction forms with respect to shares held by Wachovia National Bank, the trustee of the 401(k) plans, that instruct you how to vote your shares of MAMSI common stock held in the 401(k) plans.

Quorum; Broker Abstentions and Broker Non-Votes

The required quorum for the transaction of business at the special meeting is a majority of the shares of MAMSI common stock issued and outstanding on the record date. Abstentions and broker non-votes each will be included in determining the number of shares present and voting at the meeting for the purpose of determining the presence of a quorum. Because adoption of the merger agreement and the completion of the merger requires the affirmative vote of a majority of the outstanding shares of MAMSI common stock entitled to vote, abstentions and broker non-votes will have the same effect as votes against adoption of the merger agreement and the completion of the merger. Abstentions and broker non-votes also will have the same effect as votes against the authorization of the proxies to vote to adjourn or postpone the special meeting for the purpose of soliciting additional votes. In addition, the failure of a MAMSI stockholder to return a proxy will have the effect of a vote against the adoption of the merger agreement.

The actions proposed in this proxy statement/prospectus are not matters that can be voted on by brokers holding shares for beneficial owners without the owners specific instructions. If you do not instruct your broker, bank or other nominee, they will not be able to vote your shares, referred to as a broker non-vote. Accordingly, if a broker or bank holds your shares you are urged to instruct your broker or bank on how to vote your shares.

Expenses of Solicitation

UnitedHealth Group and MAMSI will share equally the costs of preparing and distributing this proxy statement/prospectus for the special meeting. In addition to solicitation by mail, directors, officers and regular employees of MAMSI or its subsidiaries may solicit proxies from stockholders by telephone, telegram, e-mail, personal interview or other means. UnitedHealth Group and MAMSI currently expect not to incur any costs beyond those customarily expended for a solicitation of proxies in connection with a merger agreement. Directors, officers and employees will not receive additional compensation for their solicitation activities, but may be reimbursed for reasonable out of pocket expenses incurred by them in connection therewith. Brokers, dealers, commercial banks, trust companies, fiduciaries, custodians and other nominees have been requested to forward proxy solicitation materials to their customers and such nominees will be reimbursed for their reasonable out of pocket expenses. MAMSI has engaged Morrow & Co., Inc. to assist in the solicitation of proxies for the meeting and MAMSI estimates it will pay Morrow & Co., Inc. a fee of approximately $10,000.

Householding

Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy statements and annual reports. This means that only one copy of this proxy statement/prospectus or annual report may have been sent to multiple stockholders in your household. MAMSI will promptly deliver a separate copy of this proxy statement/prospectus, including the attached Annexes to you if you write or call MAMSI at the following address or phone number: 4 Taft Court, Rockville, Maryland 20850, Telephone: (301) 294-5140. If you wish to receive separate copies of an annual report or proxy statement in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee record holder, or you may contact MAMSI, as applicable, at the above address and phone number.

Board Recommendation

The MAMSI board of directors has unanimously approved and adopted the merger agreement and unanimously recommends that MAMSI stockholders vote FOR adoption of the merger agreement and authorization of the proxies to vote to adjourn or postpone the special meeting for the purpose of soliciting additional votes for the adoption of the merger agreement.

The matters to be considered at the special meeting are of great importance to the stockholders of MAMSI. Accordingly, you are urged to read and carefully consider the information presented in this proxy statement/prospectus, and to complete, date, sign and promptly return the enclosed proxy in the enclosed postage-paid envelope or submit your proxy by telephone or the Internet.

Stockholders should not send any stock certificates at this time. A transmittal form with instructions for the surrender of stock certificates for MAMSI common stock will be mailed to you as soon as practicable after completion of the merger.

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THE MERGER

This section of the proxy statement/prospectus describes material aspects of the proposed merger. While UnitedHealth Group and MAMSI believe that the description covers the material terms of the merger and the related transactions, this summary may not contain all of the information that is important to you. You should read this entire proxy statement/prospectus, the attached annexes, and the other documents referred to, carefully for a more complete understanding of merger.

General Description of the Merger

At the effective time of the merger, MAMSI will merge with and into MU Acquisition LLC, a Delaware limited liability company and a wholly owned subsidiary of UnitedHealth Group. Upon completion of the merger, the separate corporate existence of MAMSI will cease and MU Acquisition LLC will continue as the surviving entity. UnitedHealth Group intends to change the name of the surviving entity to MAMSI promptly after the merger.

As a result of the merger, each share of MAMSI common stock outstanding at the effective time of the merger will be converted automatically into the right to receive 0.82 of a share of UnitedHealth Group common stock, sometimes referred to as the exchange ratio, plus $18.00 in cash, without interest. The cash component of the merger consideration could be decreased and the stock component increased if required to preserve the intended treatment of the merger for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as explained under the caption The Merger Agreement Tax Adjustment beginning on page . Assuming the merger so qualifies as a reorganization, a MAMSI stockholder generally will, for U.S. federal income tax purposes, recognize gain, but not loss, equal to the lesser of (i) the excess, if any, of the fair market value of the UnitedHealth Group common stock and the amount of cash received by the stockholder over that stockholder s adjusted tax basis in the MAMSI common stock exchanged in the merger or (ii) the amount of cash received by the stockholder in the merger; this treatment may not apply to all MAMSI stockholders. For further information concerning U.S. federal income tax consequences of the merger, please see Material U.S. Federal Income Tax Consequences of the Merger beginning on page of this proxy statement/prospectus. MAMSI stockholders will receive cash instead of fractional shares of UnitedHealth Group common stock that would have otherwise been issued as a result of the merger. If the number of shares of either UnitedHealth Group common stock or MAMSI common stock changes before the merger is complete because of stock dividend, subdivision, reclassification, recapitalization, split, combination, exchange of shares or similar transaction, then an appropriate and proportionate adjustment will be made to the stock and cash to be received by MAMSI stockholders in the merger.

Based on the number of shares of MAMSI common stock and UnitedHealth Group common stock outstanding or issuable upon exercise of outstanding stock options, whether or not vested with respect to MAMSI options, as of the record date and the exchange ratio, and assuming that the adjustment described in The Merger Agreement Tax Adjustment does not occur approximately million shares of UnitedHealth Group common stock will be issuable pursuant to the merger agreement, representing approximately % of the UnitedHealth Group common stock outstanding immediately after the merger. The total cash estimated to be payable to MAMSI s stockholders in exchange for their common stock pursuant to the merger agreement, assuming that the adjustment described in The Merger Agreement Tax Adjustment does not occur, is approximately $860 million, assuming MAMSI stock options are exercised in full and determined without regard to any dissenting shares and any fractional shares. This payment obligation will be partially offset by estimated proceeds from the exercise of stock options and the sale of residual shares of the Stock Compensation Trust of approximately $250 million, which will result in total net cash estimated to be payable to MAMSI s stockholders of approximately $610 million.

UnitedHealth Group will account for the merger as a purchase for financial reporting purposes. See Accounting Treatment beginning on page . The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code for U.S. federal income tax purposes. See Material U.S. Federal Income Tax Consequences of the Merger beginning on page for a discussion of material U.S. federal income tax consequences of the merger.

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Background of the Merger

As a regional managed care organization, MAMSI continually considered strategic alternatives to become more competitive in both its regional and the national market since 2001. To assist in such endeavors, MAMSI hired Merrill Lynch & Co. as a financial advisor on February 21, 2001.

From time to time since 2001, Mark D. Groban, M.D., Chairman of the Board of MAMSI, Thomas P. Barbera, President and Chief Executive Officer of MAMSI, and Robert E. Foss, Senior Executive Vice President and Chief Financial Officer of MAMSI, along with Merrill Lynch, spoke with third parties interested in exploring the possibility of a business combination with MAMSI. MAMSI and Merrill Lynch sought to identify qualified managed care organizations for discussions concerning a business combination strategy that would allow MAMSI to capitalize on its strong capabilities in the mid-Atlantic market while, at the same time, expanding and leveraging opportunities in the national market. During this period, MAMSI had preliminary discussions with four different regional and multi-market managed health care organizations to explore possible opportunities of mutual interest. Such opportunities included an acquisition of such entities, a business combination resulting in a merger of equals and an acquisition of MAMSI by such entities. These alternatives were rejected due to considerations such as comparative product mix, market penetrations, and the overall potential success of the resulting combined entity. Dr. Groban regularly reviewed with the MAMSI board of directors the status of those discussions and MAMSI s strategic plans to maximize stockholder value. Except for the discussions set forth below with UnitedHealth Group, Dr. Groban and such executives have not received any offers from any third parties regarding a possible acquisition of or strategic business combination with MAMSI.

On July 15, 2002, Dr. Groban met with William McGuire, M.D., Chairman of the Board and Chief Executive Officer of UnitedHealth Group. Dr. McGuire initiated this meeting, and the parties discussed in general terms their respective businesses, including the challenges facing the industry and the benefits that might accrue to their respective organizations upon the combination of their mid-Atlantic operations and they agreed to continue their discussions. There was no commitment for any specific action discussed at the meeting. After the meeting, Dr. Groban and Dr. McGuire spoke by telephone on several occasions about both companies strategic opportunities. During the balance of the year, Dr. McGuire and Dr. Groban also had additional conversations during which they continued to discuss their businesses, the challenges facing the industry and the potential benefits of a combination. In these conversations, they reaffirmed that there was sufficient interest in a possible transaction to continue their discussions and exchange materials.

UnitedHealth Group continually evaluates strategic opportunities and business scenarios as a part of its ongoing evaluation of the market and opportunities to strengthen its business. In connection with this ongoing evaluation, management of UnitedHealth Group regularly evaluates other companies across its business units and regularly updates its board of directors on potential acquisitions. As a result of this ongoing evaluation, UnitedHealth Group has been generally familiar with the operations of MAMSI over the past several years. As part of this evaluation, on January 7, 2003, UnitedHealth Group management was provided with discussion materials by MAMSI s financial advisor that included information on various managed care companies, including MAMSI.

On February 11, 2003, as part of a regularly scheduled board meeting, a high-level summary of potential merger or acquisition candidates across UnitedHealth Group s business units was provided to UnitedHealth Group s board of directors. MAMSI was included in this summary as a potential candidate for further evaluation by UnitedHealth Group s management. No action was requested of UnitedHealth Group s board of directors at this time.

During the regularly scheduled meeting of the MAMSI board of directors on February 13, 2003, Dr. Groban presented information to the MAMSI board regarding various on-going activities by the executive management team concerning strategic alignments, including the possibility of an acquisition of a strategic partner, a business combination resulting in a merger of equals or an acquisition of MAMSI by such parties, and competitive consolidations in the market, including discussions with representatives from UnitedHealth Group.

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On March 10, 2003, UnitedHealth Group and MAMSI signed a confidentiality agreement to allow UnitedHealth Group to conduct due diligence activities regarding MAMSI s business and operations in connection with UnitedHealth Group s evaluation of a possible strategic transaction with MAMSI. Also on March 10, 2003, Dr. Groban met with Stephen J. Hemsley, President and Chief Operating Officer of UnitedHealth Group, in Washington, D.C. Dr. Groban and Mr. Hemsley discussed the long-term strategies and goals of each company and their plans for the mid-Atlantic region. They discussed the strategic options for both companies and the opportunities presented for a possible strategic combination. They discussed UnitedHealth Group s interest in the mid-Atlantic region and the consumer products and services offered by MAMSI, as well as MAMSI s interest in combining with a national firm such as UnitedHealth Group.

On March 12, 2003, Mr. Hemsley, Robert J. Sheehy, Chief Executive Officer of UnitedHealthcare, William A. Munsell, Executive Vice President of UnitedHealthcare, and G. Mike Mikan, Vice President Corporate Development of UnitedHealth Group, met with Dr. Groban, Mr. Barbera, Mr. Foss and Sharon C. Pavlos, Associate Senior Executive Vice President and General Counsel of MAMSI, to review MAMSI s background and an overview of its services. At the meeting, MAMSI s representatives provided Mr. Mikan with additional background information on MAMSI.

On April 4, 2003, UnitedHealth Group engaged Goldman, Sachs & Co., as its financial advisor in connection with a potential acquisition of MAMSI.

On April 8, 2003, Dr. Groban and Mr. Hemsley met in Washington, D.C. and had further discussions regarding their respective companies and the possible strategic and economic benefits to both companies from a potential business combination. At this meeting, Mr. Hemsley and Dr. Groban had preliminary discussions involving a potential combination of MAMSI with UnitedHealth Group. Mr. Hemsley proposed an initial valuation which Dr. Groban indicated would likely be insufficient, as no premium was offered to the then current market price of MAMSI s common stock.

On April 26, 2003, Dr. McGuire and Dr. Groban met to continue discussions regarding company cultures and values and strategic opportunities regarding a possible business combination. In their discussion, Dr. McGuire and Dr. Groban noted that the companies had similar corporate cultures and shared values focused on quality products and services and progressive, disciplined management. They also discussed how MAMSI s products and services and strong presence in the mid-Atlantic region complemented UnitedHealth Group s national operations and how UnitedHealth Group s scope of operations would enable MAMSI to address health care trends.

On May 7, 2003 and July 29, 2003, as part of regularly scheduled board meetings, members of management of UnitedHealth Group provided the board of directors with an update on UnitedHealth Group s merger and acquisition outlook as part of its quarterly merger and acquisition landscape updates, including a discussion of the strategic elements, business points and valuation considerations of a potential transaction with MAMSI. The board continued to evaluate the benefits, risks, challenge of successfully integrating MAMSI, valuation information and market reaction. At each meeting, the board expressed its support and encouraged management to continue the process of evaluating the possible transaction.

During MAMSI s regularly scheduled meetings of the board of directors held on May 7, 2003 and August 5, 2003, Dr. Groban updated the board regarding various discussions by the executive management team concerning strategic alignments and competitive consolidations in the market. At these meetings, Dr. Groban also described discussions and contacts with a number of potential strategic partners, including UnitedHealth Group. Dr. Groban also discussed UnitedHealth Group s strength in its sector in terms of financial performance, benefit designs and operational acumen. Dr. Groban indicated that a business combination should be considered if UnitedHealth Group offered a sufficient premium as it presented MAMSI an opportunity to expand into national markets that would be difficult to do on its own.

At an August 15, 2003 meeting between Dr. McGuire and Dr. Groban, Dr. McGuire indicated UnitedHealth Group s interest in pursuing a business combination with MAMSI. The parties discussed various scenarios and

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possibilities, including the cash and stock components of any proposed transaction, the region of the mid-Atlantic that would be managed by MAMSI and MAMSI s operational functions that could support UnitedHealth Group s operations in the region. Dr. McGuire and Dr. Groban agreed to continue conversations.

During the period from August 19, 2003 to August 25, 2003, Dr. Groban, Dr. McGuire and Mr. Hemsley had several telephone discussions regarding possible transaction scenarios. The initial proposal suggested by UnitedHealth Group contemplated an all-stock transaction with no implied premium to MAMSI stockholders. Representatives of MAMSI responded that they believed a premium was both appropriate and necessary to assure successful completion of the transaction. During August 2003, based on MAMSI s positive financial performance and MAMSI s public expressions of continuing confidence in its future financial performance, UnitedHealth Group and MAMSI discussed a range of possible purchase prices that included an implied premium and certain key elements of the potential transaction including deal protection, with a termination fee in an amount to be determined, and continuing involvement of MAMSI s management in the combined company. The parties agreed to have their financial advisors develop scenarios of a possible business combination.

On August 20, 2003, MAMSI retained Lehman Brothers Inc. as its lead financial advisor, and Merrill Lynch was not involved in the discussions between MAMSI and UnitedHealth Group after this date.

During the period from August 26, 2003 to September 26, 2003, Lehman Brothers had conversations with the financial advisor of UnitedHealth Group, Goldman Sachs, to develop possible transaction parameters consistent with the direction previously provided to each by MAMSI and UnitedHealth Group, respectively. These conversations included preliminary discussions about possible transaction scenarios, including their clients thoughts on potential purchase prices, form of consideration, timing and other elements of a potential transaction.

On September 19, 2003, Messrs. Mikan and Foss discussed by telephone in general the timing and process regarding a potential acquisition and additional information that UnitedHealth Group requested in order to continue to analyze a possible transaction with MAMSI. Following this call, Mr. Foss provided Mr. Mikan an update on MAMSI s financial outlook for the pending fiscal quarter.

At an October 2, 2003 special meeting of the MAMSI board of directors, Lehman Brothers reviewed factors influencing the health care insurance industry in general and MAMSI specifically and the various strategic alternatives available to MAMSI in view of market and industry developments. The board discussed the advantages and disadvantages of various options including continuing MAMSI s current strategic business plan, growing through strategic acquisitions of other companies, and a merger with, or acquisition by, a larger company in the health care insurance industry. Given the cyclical nature of the health insurance industry, the amount of financial resources and time involved in developing MAMSI markets beyond its core service area, and the trend of larger employer groups to seek a single carrier that can provide similar benefit plans and claims platforms across the entire workforce, the MAMSI board of directors concluded that MAMSI s best strategic long-term plan was to align itself with a larger, national managed care organization. The board was provided with publicly available information concerning UnitedHealth Group, including its purchases of other health care organizations, its 2003 revenues, EBITDA, market capitalization and membership compared to other similar companies in the health care sector, an overview of its corporate structure and business units, and its long-term historical stock price performance. Lehman Brothers then described and reviewed in detail the industry position, business culture and prospects of UnitedHealth Group. At the conclusion of the meeting and after discussions with MAMSI s financial advisors, the MAMSI board authorized Dr. Groban and MAMSI s senior management team to continue discussions with UnitedHealth Group regarding a possible strategic business combination.

On October 3, 2003, Dr. Groban and Mr. Hemsley discussed various matters relating to a potential transaction, including the importance of maintaining MAMSI s current management, the structure of a potential transaction and a range of possible purchase prices for MAMSI, subject to due diligence and additional negotiations. The pricing discussed was 0.82 shares to 0.83 shares of UnitedHealth Group common stock, and $18.00 in cash, for each share of MAMSI common stock. The parties also discussed certain deal protection

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provisions and closing conditions, including the requirement for employment agreements with management and the absence of any material adverse effect, all subject to UnitedHealth Group s due diligence examination.

On October 4, 2003, the MAMSI board of directors held a special meeting at which Dr. Groban updated the board on discussions with UnitedHealth Group and outlined the key financial terms of the possible strategic business combination, which were the exchange ratio for shares of UnitedHealth Group common stock to be offered to MAMSI stockholders and the cash portion of the merger consideration. The MAMSI board approved management s continued discussions with UnitedHealth Group toward a strategic business combination on the best financial terms achievable.

From October 4 through October 6, 2003, Dr. McGuire had several telephone conversations with the other members of the UnitedHealth Group board of directors to apprise them of the status of the proposed transaction.

On October 7, 2003, UnitedHealth Group provided MAMSI with a due diligence list of items to be reviewed.

On October 9, 2003, Dr. Groban and Mr. Foss met with Mr. Hemsley and Mr. Mikan to discuss the due diligence process and integration strategies and UnitedHealth Group commenced a financial, legal, and operational due diligence review of MAMSI s business and operations which continued until October 26, 2003.

On October 14, 2003, as part of the Audit Committee s regular meeting to discuss UnitedHealth Group s third quarter earnings release, Dr. McGuire and Mr. Hemsley discussed with the Audit Committee the terms and status of the proposed transaction and the status of ongoing due diligence.

On October 16, 2003, MAMSI engaged Houlihan Lokey Howard & Zukin Financial Advisors, Inc. to render an opinion as to the fairness, from a financial point of view, of the consideration to be received by MAMSI s stockholders in connection with the proposed transaction, independent of the fairness opinion to be rendered by Lehman Brothers.

On October 18, 2003, UnitedHealth Group provided MAMSI with a list of employees that UnitedHealth Group determined were key to MAMSI s ongoing operations. UnitedHealth Group informed MAMSI that UnitedHealth Group employment agreements with such individuals would be a condition to UnitedHealth Group entering into the transaction, as UnitedHealth Group believed that the retention of existing management was essential to achieving the anticipated benefits of the merger. UnitedHealth Group determined that there were approximately 35 MAMSI employees with whom it wanted to seek employment agreements, including the senior management and approximately 31 operational and functional leaders. As a condition to entering into the merger agreement, UnitedHealth Group required all 4 members of senior management, and substantially all of the 31 operational and functional leaders, to enter into employment agreements.

On October 20, 2003, representatives from UnitedHealth Group provided a draft merger agreement to representatives of MAMSI and on October 21, 2003, representatives of the parties made arrangements for MAMSI to conduct a due diligence review of UnitedHealth Group s finances and operations at its offices in Minnetonka, Minnesota.

On October 22, 2003, Dr. McGuire and Messrs. Hemsley and Mikan discussed with representatives of MAMSI in general the process regarding a potential transaction, including timing, structure and possible valuations. In these discussions, UnitedHealth Group emphasized the importance of its requested deal protection measures contained in the draft merger agreement, including, in particular, a requirement that MAMSI s stockholders vote on the UnitedHealth Group merger proposal even if a competing proposal had been made.

From October 20, 2003 to October 26, 2003, MAMSI s and UnitedHealth Group s senior management each worked to finalize their due diligence and review of the proposed business combination, reviewing financial and other terms of the transaction and the latest versions of the draft merger agreement, disclosure schedules, employment agreements and related documents.

From October 20, 2003 to October 26, 2003, Dr. McGuire and Mr. Hemsley had several telephone conversations with the other members of UnitedHealth Group s board of directors apprising them of the terms and status of the proposed transaction and seeking input and support for the manner in which the proposed acquisition was progressing.

From October 20, 2003 to October 24, 2003, representatives of UnitedHealth Group and MAMSI met to negotiate the provisions of the draft merger agreement. Numerous issues regarding the draft merger agreement were discussed, including the scope of the representations and warranties, closing conditions and deal protections. During these meetings MAMSI s representatives emphasized that the final agreement had to afford MAMSI s board of directors a meaningful opportunity to respond to unsolicited third-party acquisition proposals.

On October 24, 2003, the MAMSI board of directors met in Baltimore, Maryland. Dr. Groban reviewed the activities and discussions with UnitedHealth Group over the past several weeks, including reporting on MAMSI s due diligence investigation of UnitedHealth Group and UnitedHealth Group s due diligence investigation of MAMSI. He described the plan to merge the operations of MAMSI and UnitedHealth Group in the mid-Atlantic region, the geographical, operational and cultural fit of the two companies, the intention of UnitedHealth Group to retain the senior management team of MAMSI, the benefits to be derived by MAMSI s stockholders and members from the combination of businesses and the economic benefits to be received by MAMSI senior management as a result of the merger. These benefits included a valuation of MAMSI s common stock in excess of its all time high stock price and the opportunity to obtain stock in UnitedHealth Group. Dr. Groban also described the status of negotiations relating to the consideration that would be paid to MAMSI s stockholders in the proposed merger.

Representatives of MAMSI s outside counsel, Dewey Ballantine LLP and Kirkpatrick & Lockhart LLP, reviewed the board s fiduciary duties and the provisions of the draft merger agreement, identifying those provisions that were still the subject of negotiations with UnitedHealth Group. They also discussed the federal income tax consequences of the proposed merger consideration to stockholders of MAMSI.

Representatives of Lehman Brothers were also present at the meeting and reviewed the financial implications to MAMSI and its stockholders of the proposed transaction and commented on the terms of the transaction that had been tentatively agreed to and those that were still under discussion. Representatives of Houlihan Lokey were also present at the meeting and independently reviewed the financial implications to MAMSI and its stockholders of the proposed transaction. Representatives of Lehman Brothers and Houlihan Lokey did not participate in, and were not present for, each other s presentations to MAMSI s board of directors.

The parties continued their discussions and negotiations on October 24, 25 and 26, 2003. During this period, the terms of the merger agreement were finalized, including the scope of the representations and warranties, closing conditions and deal protections. As part of these final negotiations, the parties reached a compromise that UnitedHealth Group would have the right to insist that its merger proposal be submitted to MAMSI stockholders even if the MAMSI board of directors were to withdraw, adversely modify or fail to confirm its recommendation in favor of the merger but that if UnitedHealth Group did require such a vote and the MAMSI stockholders then failed to approve the merger proposal, no termination fee would be payable to UnitedHealth Group, even if MAMSI subsequently committed to an alternative takeover proposal.

On October 25, 2003, UnitedHealth Group and MAMSI finalized the merger consideration to be paid to MAMSI stockholders in the transaction, subject to satisfactory completion of definitive documentation and the approval of each party s board of directors. In arriving at the merger consideration to be paid to MAMSI s stockholders, the parties desired to provide some immediate liquidity to MAMSI s stockholders in the form of a cash payment and also to allow MAMSI s stockholders to continue to participate in the future prospects of the

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combined company through the stock component of the merger consideration. The amount of the merger consideration was determined by arms-length negotiation between the parties. In this negotiation, the parties determined that a premium over MAMSI s current per share stock price would be paid by UnitedHealth Group and each party took into account, respectively, the factors described under UnitedHealth Group s Reasons for the Merger and MAMSI s Reasons for the Merger and Board of Directors Recommendation in determining what exchange ratio would be in the best interests of its stockholders. The stock exchange ratio was set based on the formula of the negotiated transaction share price of MAMSI and the agreed upon amount of cash ($18.00 per share) versus stock to be used as consideration. The formula used to determine the exchange ratio was the difference between the negotiated transaction share price and $18.00, divided by UnitedHealth Group s closing share price on October 3, 2003, of $52.60. In addition, on October 25, 2003, UnitedHealth Group, MAMSI and certain executive officers of MAMSI agreed on the terms to be offered in the employment agreements that specified officers of MAMSI would be entering into with UnitedHealth Group, to be effective upon completion of the merger.

On October 26, 2003, UnitedHealth Group presented a detailed review of the proposed transaction to its board of directors, including an overview of MAMSI, material terms of the draft merger agreement, valuation parameters, due diligence findings and other matters. Goldman Sachs, UnitedHealth Group s financial advisor also presented a financial overview of the proposed transaction. UnitedHealth Group s board of directors unanimously approved the merger agreement and the transactions contemplated by the merger agreement, including the merger.

Also on October 26, 2003, the MAMSI board of directors met to discuss the proposed transaction. Dr. Groban reviewed in detail the terms of the transaction as reflected in the draft merger agreement which had been made available to the board and the strategic rationale for the merger. Dr. Groban also reviewed the financial terms of the merger including the specific cash and stock consideration to be provided in the proposed merger, as well as the premium to the then current market price of MAMSI s common stock that consideration would provide, and the economic benefits to be received by MAMSI senior management as a result of the merger. MAMSI s outside counsel reviewed the final significant terms of the proposed transaction, including the agreed-upon deal protection features. Lehman Brothers reviewed with the board its detailed, updated analyses of the financial terms of the proposed merger and provided an oral opinion, which was subsequently confirmed by receipt of a written opinion dated the same date, based upon and subject to matters stated in its opinion, that as of such date, from a financial point of view, the consideration to be offered to MAMSI stockholders in the merger is fair to the MAMSI stockholders. Houlihan Lokey reviewed with the board its detailed, updated analyses of the financial terms of the proposed merger and provided an oral opinion, which was subsequently confirmed by receipt of a written opinion dated the same date, that based upon and subject to matters stated in its opinion, that as of such date, from a financial point of view, the consideration to be offered to MAMSI stockholders in the merger is fair to the MAMSI stockholders. At the conclusion of this meeting, the MAMSI board of directors unanimously authorized the execution of the merger agreement and resolved to recommend that the MAMSI stockholders adopt the merger agreement.

Following such meetings, on October 26, 2003, management of UnitedHealth Group and MAMSI executed the merger agreement and UnitedHealth Group entered into employment agreements with certain key employees of MAMSI.

On October 27, 2003, the parties publicly announced the execution of the merger agreement.

UnitedHealth Group s Reasons for the Merger

In approving the merger and the merger agreement, the UnitedHealth Group board of directors considered a number of factors, including the facts discussed in the following paragraphs. In light of the number and wide variety of factors considered in connection with its evaluation of the merger, the UnitedHealth Group board did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific

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factors it considered in reaching its determination. The board viewed its position and recommendations as being based on all of the information available and the factors presented to and considered by it. In addition, individual directors may have given different weight to different factors. This explanation of UnitedHealth Group s reasons for the merger and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading Cautionary Statement Regarding Forward-Looking Statements beginning on page .

In reaching its decision, the board consulted with UnitedHealth Group s management with respect to strategic and operational matters and with UnitedHealth Group s legal counsel with respect to the merger agreement and the transactions contemplated thereby. The board also consulted with Goldman Sachs, UnitedHealth Group s financial advisor, with respect to the financial aspects of the merger.

The board identified a number of potential benefits of the merger that it believes will contribute to the success of the combined enterprise. These potential benefits include:

- since MAMSI is a market leader in the fast growing mid-Atlantic region, the merger strengthens UnitedHealth Group s market position in that region with a combined membership of 3.5 million members in the region;
- MAMSI s assets, brand and reputation significantly expand and enhance UnitedHealth Group s customer products and services;
- the merger provides UnitedHealth Group a significant business opportunity to improve access to affordable health services for employers and consumers in the mid-Atlantic region, home to approximately 30 Fortune 500 employers;
- similar corporate cultures and values focused on providing quality products and services to customers and building collaborative relationships with physicians, the complementary nature of the two companies operations, and the experience, reputation and financial strength of MAMSI;
- the consideration to be paid in the merger is consistent with recent comparable transactions in the health benefits industry;
- the intended treatment of the merger for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code with the results described under the heading Material U.S. Federal Income Tax Consequences of the Merger on page___ .
- MAMSI s relationships with institutions and care providers will benefit the current and future customers of UnitedHealthcare and Uniprise, while the offerings and capabilities of UnitedHealth Group will become available to the people currently served by MAMSI;
- an immediate increase in earnings per share;
- strong growth and profitability prospects for the future;
- MAMSI has strong cost controls with room for continued improvement, allowing cost synergies to be realized;

the merger is an opportunity to leverage UnitedHealth Group s expertise and investment in technology to improve the delivery of health care services to the people currently served by MAMSI;

the merger provides a cross-selling opportunity for higher-margin specialty products and services such as dental, vision and mental health benefits to existing MAMSI customers; and

the merger allows for continued improvement in monitoring costs of service through economies of scale.

The UnitedHealth Group board also identified and considered a number of uncertainties and risks. Those negative factors included:

the risk that the potential benefits of the merger might not be realized;

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- the risk that the merger may not be completed;

- the challenges, costs and risks of integrating the business of UnitedHealth Group and MAMSI and the potential management, customer, supplier, partner and employee disruption that may be associated with the merger;

- the diversion of management focus and resources from other strategic opportunities and from operational matters while working to implement the merger; and

- various other applicable risks associated with the combined company and the merger, including those described under the section entitled Risk Factors beginning on page .

The board weighed the benefits, advantages and opportunities against the challenges inherent in the combination of two businesses of the size of UnitedHealth Group and MAMSI and the possible resulting diversion of management attention for an extended period of time. The board realized that there can be no assurance about future results, including results expected or considered in the factors listed above. However, the board concluded that the potential benefits outweighed the potential risks of consummating the merger.

After taking into account these and other factors, the board unanimously determined that the merger agreement and the transactions contemplated thereby were fair to, and in the bests interests of, UnitedHealth Group and its shareholders, and approved and authorized the merger agreement and the transactions contemplated thereby, including the merger.

MAMSI s Reasons for the Merger and Board of Directors Recommendation

In approving and adopting the merger agreement, the MAMSI board of directors considered a number of factors, including factors discussed in the following paragraphs. In view of the number and wide variety of factors considered in connection with its evaluation of the merger, the MAMSI board of directors did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its determination. The MAMSI board of directors viewed its position and recommendations as being based on all of the information and the factors presented to and considered by it. In addition, individual directors may have given different weight to different information and factors. This explanation of MAMSI s reasons for the merger and all other information presented in this section are forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading Cautionary Statement Regarding Forward-Looking Statements beginning on page .

The MAMSI board of directors believes that the merger presents an opportunity to combine and expand two complementary and market leading health benefits companies. The MAMSI board consulted with management with respect to strategic and operational matters and also consulted financial advisors and determined that the merger was consistent with the strategic plans of MAMSI and was in the best interests of MAMSI and its stockholders. In reaching the conclusion to unanimously approve and adopt the merger agreement, the MAMSI board considered a number of factors, including the following:

Strategic Growth

The MAMSI board of directors considered its knowledge of the business, operations, financial condition, earnings and prospects of UnitedHealth Group. The board considered UnitedHealth Group s size and scope, which would allow the combined company to compete more effectively in the increasingly competitive market for health benefits, to be in a better position to take advantage of growth opportunities and to serve members and providers more efficiently. The MAMSI board also considered the superior growth opportunity for the combined company to expand and enhance the availability of products and services for employers and consumers, particularly for large self-insured employers, including Fortune 500 companies headquartered or having employees located within the mid-Atlantic region.

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Synergies

The MAMSI board considered the ability of the combined company to achieve economies of scale and thereby enhance profitability by leveraging the experienced management teams and best practices from both companies and extending each company s geographic reach. Specifically, the board considered:

UnitedHealth Group s history of growth of profitable enrollment;

UnitedHealth Group s operating efficiencies as demonstrated by its operating margins;

UnitedHealth Group s strong management and operating expertise; and

UnitedHealth Group s technology tools and service platforms.

The MAMSI board noted that the synergies expected from the merger should result in an enhanced sales channel, superior provider contracting strength, administrative costs savings, revenue enhancements, and more effective procurement of medical services on behalf of customers at affordable rates. Based on these considerations, the MAMSI board considered the benefits that would be derived from the complementary strengths and regional coverage of the two companies.

Trends in the Health Benefits Industry

The MAMSI board of directors considered the current environment and trends in the health benefits industry, including the regulatory uncertainty related to managed care generally, industry consolidation and pricing trends. The board considered the advantages that large companies have in such an environment and that access to UnitedHealth Group s size and scope would place MAMSI in a better position to take advantage of growth opportunities, meet competitive pressures and serve customers efficiently.

Strategic Alternatives

The MAMSI board of directors considered trends and competitive developments in the health benefits industry and the range of strategic alternatives available to MAMSI, including MAMSI continuing its existing strategy of seeking internal growth and improving its cost structure. Given the cyclical nature of the health insurance industry, the amount of cash and time involved in developing markets beyond MAMSI s core service area, and the trend of larger employer groups to seek a single carrier that can provide similar benefit plans and claims platforms across the entire workforce, the MAMSI board of directors concluded that MAMSI s best strategic long-term plan was to align itself with a larger, national managed care organization.

Merger Consideration and Stock Price

The MAMSI board of directors considered the relationship of the consideration to be paid pursuant to the merger agreement to recent and historical market prices of its common stock and UnitedHealth Group common stock. It also considered the form of the merger consideration, the premium to be paid to MAMSI stockholders and the certainty of the value of the cash component of the merger consideration as well as the ability of the holders of MAMSI common stock to become holders of UnitedHealth Group common stock and participate in the future prospects of the combined business of UnitedHealth Group and MAMSI. It also took into account that the consideration to be paid in the merger was consistent with recent comparable transactions in the health benefits industry. The board also evaluated the detailed financial analyses and presentations of each of Lehman Brothers Inc. and Houlihan Lokey Howard & Zukin Financial Advisors, Inc. as well as their respective opinions that, based on and subject to the considerations set forth in their respective opinions, as of the date of such opinions, the consideration to be offered to the MAMSI stockholders in the merger is fair, from a financial point of view, to the MAMSI stockholders.

United States Federal Income Tax Treatment

The MAMSI board of directors considered the intended treatment of the merger for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code with the results described under the heading Material U.S. Federal Income Tax Consequences of the Merger on page___ .

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Similar Corporate Cultures

The MAMSI board of directors considered the complementary nature of the operations of MAMSI and UnitedHealth Group, management s belief that the companies have similar corporate cultures and values focused on providing quality products and services to customers and the experience, reputation and financial strength of UnitedHealth Group. It was noted by the board that, like MAMSI, UnitedHealth Group has a progressive culture, disciplined management, a commitment to the study and application of data, and a strong track record of value creation.

Personnel

The board considered the fact that, upon completion of the merger, the current management team will remain in place and lead UnitedHealth Group s mid-Atlantic region, positioning the company to continue its strong performance.

Revenue and Revenue Enhancements

The board took note of the opportunity for additional penetration of MAMSI products, as well as the ability to broaden its customer relationships through UnitedHealth Group s product offerings, multi-site capabilities and technology. Further, the board noted that the merger will be immediately accretive to the combined company s earnings.

At a special meeting held on October 26, 2003, the MAMSI board of directors determined that the merger and the merger agreement are advisable, fair to and in the best interests of MAMSI and its stockholders. Accordingly, the MAMSI board of directors unanimously approved and adopted the merger agreement and unanimously recommends that MAMSI shareholders vote FOR the adoption of the merger agreement.

Opinions of MAMSI s Financial Advisors

The board of directors of MAMSI retained Lehman Brothers Inc. to act as its lead financial advisor in connection with the proposed merger of MAMSI with and into a subsidiary of UnitedHealth Group pursuant to the merger agreement. The board of directors of MAMSI also retained Houlihan Lokey Howard & Zukin Financial Advisors, Inc. to render an independent fairness opinion in connection with the proposed transaction.

Opinion of Lehman Brothers Inc.

On October 26, 2003, Lehman Brothers rendered its opinion to the MAMSI board of directors that as of such date and, based upon and subject to matters stated in its opinion, from a financial point of view, the consideration to be offered to the MAMSI stockholders in the merger is fair to such stockholders. For purposes of the Lehman Brothers opinion, the consideration to be offered in the merger was defined as 0.82 shares of

UnitedHealth Group common stock and $18.00 in cash.

The full text of Lehman Brothers opinion, dated October 26, 2003 is attached as Annex B-1 to this proxy statement/prospectus. Stockholders should read such opinion for a discussion of the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Lehman Brothers in rendering its opinion. The following is a summary of the Lehman Brothers opinion and the methodology that Lehman Brothers used to render its fairness opinion.

Lehman Brothers advisory services and opinion were provided at the request of the MAMSI board of directors in connection with its consideration of the merger. The Lehman Brothers opinion is not intended to be and does not constitute a recommendation to any stockholder of MAMSI as to how such stockholder should vote in connection with the merger. Lehman Brothers was not requested to opine as to, and the Lehman Brothers opinion does not address, MAMSI s underlying business decision to proceed with or effect the merger.

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In arriving at its opinion, Lehman Brothers reviewed and analyzed:

- the merger agreement, and the specific terms of the merger;
- publicly available information concerning MAMSI that Lehman Brothers believed to be relevant to its analyses, including MAMSI s Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and MAMSI s Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2003;
- publicly available information concerning UnitedHealth Group that Lehman Brothers believed to be relevant to its analyses, including UnitedHealth Group s Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and UnitedHealth Group s Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2003;
- financial and operating information with respect to the business, operations and prospects of MAMSI furnished to Lehman Brothers by MAMSI, including the near-term expectations of MAMSI management for the financial performance of MAMSI for the remainder of 2003;
- the trading history of MAMSI s common stock from October 23, 2002 to October 24, 2003 and a comparison of that trading history with those of other companies and market indices that Lehman Brothers deemed relevant;
- financial and operating information with respect to the business, operations and prospects of UnitedHealth Group furnished to Lehman Brothers by UnitedHealth Group;
- the trading history of UnitedHealth Group common stock from October 22, 1993 to October 24, 2003 and UnitedHealth Group s price to earnings ratio from October 23, 2000 to October 24, 2003 and a comparison of that ratio with those of other companies that Lehman Brothers deemed relevant;
- a comparison of the historical financial results and present financial condition of MAMSI with those of other companies that Lehman Brothers deemed relevant;
- a comparison of the historical financial results and present financial condition of UnitedHealth Group with those of other companies that Lehman Brothers deemed relevant;
- independent research analysts estimates of the future financial performance of MAMSI published by First Call, a service widely used by the investment community to gather earnings estimates from various research analysts;
- independent research analysts estimates of the future financial performance of UnitedHealth Group published by First Call;
- the relative financial contributions of MAMSI and UnitedHealth Group to the combined company on a pro forma basis following consummation of the merger;
- the potential pro forma effect of the merger on the future financial performance of UnitedHealth Group, including the effect on UnitedHealth Group s pro forma earnings per share;

the results of efforts by MAMSI and its other financial advisors to solicit indications of interest from third parties with respect to a purchase of MAMSI;

the strategic and competitive positions of MAMSI and UnitedHealth Group in comparison to other companies in the healthcare insurance and well-being industry; and

a comparison of the financial terms of the merger with the financial terms of certain other transactions that Lehman Brothers deemed relevant.

In addition, Lehman Brothers discussed with the management of MAMSI and UnitedHealth Group their respective businesses, operations, assets, financial conditions and prospects, and undertook such other studies, analyses and investigations as Lehman Brothers deemed appropriate; such other studies, analyses and investigations ultimately were not material to Lehman Brothers opinion as to the fairness of the consideration being offered to MAMSI s stockholders in the merger.

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In arriving at its opinion, Lehman Brothers assumed and relied upon the accuracy and completeness of the financial and other information used by it without assuming any responsibility for independent verification of such information and further relied upon the assurances of the management of MAMSI and UnitedHealth Group that they are not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the financial projections of MAMSI for the remainder of 2003 that were furnished to Lehman Brothers by MAMSI, with the consent of MAMSI, Lehman Brothers assumed that such projections were reasonably prepared on a basis reflecting the best estimates and judgments of MAMSI s management then available as to the future performance of MAMSI for the period ending December 31, 2003, and that MAMSI will perform substantially in accordance with such projections. However, for purposes of Lehman Brothers analysis, Lehman Brothers also considered independent research analysts estimates for the period ending December 31, 2003 and thereafter. Lehman Brothers discussed these independent research analysts estimates with the management of MAMSI and based upon advice of MAMSI s management, Lehman Brothers assumed that these estimates were a reasonable basis upon which to evaluate the future performance of MAMSI and, with MAMSI s consent, Lehman Brothers used such estimates in performing its analysis. Lehman Brothers was not provided with, and did not have any access to, any financial projections of UnitedHealth Group prepared by management of UnitedHealth Group. Accordingly, upon advice of UnitedHealth Group s management and with the consent of MAMSI s management, Lehman Brothers assumed that the independent research analysts estimates for UnitedHealth Group published by First Call were a reasonable basis upon which to evaluate the future financial performance of UnitedHealth Group and Lehman Brothers used such estimates in performing its analysis. In arriving at its opinion, Lehman Brothers conducted only a limited physical inspection of the properties and facilities of MAMSI and UnitedHealth Group. Lehman Brothers did not make or obtain any evaluations or appraisals of the assets or liabilities of either MAMSI or UnitedHealth Group. The Lehman Brothers opinion was necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, the date of Lehman Brothers opinion.

Lehman Brothers expressed no opinion as to the prices at which shares of UnitedHealth Group common stock will trade at any time following the announcement of the merger or the completion of the merger. The Lehman Brothers opinion should not be viewed as providing any assurance that the market value of the UnitedHealth Group shares to be held by the stockholders of MAMSI after the completion of the merger will be in excess of the market value of MAMSI shares owned by such stockholders at any time prior to the announcement or the completion of the merger. Although Lehman Brothers evaluated the fairness, from a financial point of view, of the consideration to be offered to the stockholders of MAMSI in the merger, Lehman Brothers was not requested to, and did not, recommend the specific consideration to be received by the MAMSI stockholders in the merger, the consideration for which was determined through negotiations between MAMSI and UnitedHealth Group. No other limitation was imposed on Lehman Brothers with respect to the investigations made or procedures followed by Lehman Brothers in rendering its opinion.

In connection with rendering its opinion, Lehman Brothers performed certain financial, comparative and other analyses as summarized below. In arriving at its opinion, Lehman Brothers did not ascribe a specific range of value to MAMSI or UnitedHealth Group, but rather made its determination as to the fairness, from a financial point of view, to MAMSI stockholders of the consideration to be offered to such stockholders in the merger on the basis of financial and comparative analyses. The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial and comparative analysis and the application of those methods to the particular circumstances. Therefore, such an opinion is not readily susceptible to summary description. Furthermore, in arriving at its opinion, Lehman Brothers did not attribute any particular weight to any analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, Lehman Brothers believes that its analyses must be considered as a whole and that considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying its opinion. In its analyses, Lehman Brothers made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of MAMSI and UnitedHealth Group. None of MAMSI, UnitedHealth Group, Lehman Brothers or any other person assumes

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responsibility if future results are materially different from those discussed. Any estimates contained in these analyses were not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth therein. In addition, analyses relating to the value of businesses do not purport to be appraisals or to reflect the prices at which businesses actually may be sold.

The following is a summary of the material financial analyses used by Lehman Brothers in connection with providing its opinion to the board of directors of MAMSI. Certain of the summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Lehman Brothers, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Accordingly, the analyses listed in the tables and described below must be considered as a whole. Considering any portion of such analyses and of the factors considered, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying the Lehman Brothers opinion.

Stock Trading History

Lehman Brothers considered historical data with regard to the trading price of MAMSI shares for the period from October 23, 2002 to October 24, 2003 and the relative stock price performances during this same period of the Standard & Poor s 500 Index and three indices created by Lehman Brothers for the purpose of analyzing the merger: an index of Blue Cross Blue Shield Companies; an index of healthcare insurance companies serving multiple geographic regions, referred to as Multi-market Companies; and an index of healthcare insurance companies serving various regional areas, referred to as Regional Companies. These three indices are comprised of the key publicly-traded participants in the healthcare insurance and well-being industry. Lehman Brothers noted that during this time period, the share price of MAMSI increased 26.2%, which outperformed all of the comparable indices except the regional index, which increased 28.7%. The following chart identifies each of the companies included by Lehman Brothers as Blue Cross Blue Shield Companies, Multi-market Companies and Regional Companies.

Blue Cross Blue Shield Companies	**Multi-market Companies**	**Regional Companies**
Anthem, Inc.	Aetna Inc.	Health Net, Inc.
WellChoice, Inc.	American Medical Security Group, Inc.	Oxford Health Plans, Inc.
WellPoint Health Networks Inc.	CIGNA Corporation	PacifiCare Health Systems, Inc
	Coventry Health Care, Inc.	Sierra Health Services, Inc.
	First Health Group Corp.	
	Humana Inc.	
	UnitedHealth Group Inc.	

Historical Exchange Ratio Analysis

Lehman Brothers compared the historical share prices of MAMSI and UnitedHealth Group during different periods during the one-year period prior to October 24, 2003, in order to determine the implied average exchange ratio that existed for those periods. Lehman Brothers noted that the exchange ratio for the merger of 1.15x is greater than the exchange ratio for the time periods specified below. The following table indicates the average exchange ratio of MAMSI shares for each UnitedHealth Group share for the periods indicated. Lehman Brothers concluded that such analysis was supportive of its opinion as to the fairness of the consideration to be offered to the MAMSI stockholders in the merger.

	Exchange Ratio
Implied Transaction (assuming an all-stock transaction)	1.15x
October 24, 2003	0.99x
30 day average	1.01x
60 day average	1.00x
180 day average	0.97x
1 year average	0.92x

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Premiums Paid Analysis

Using the closing price of UnitedHealth Group on October 24, 2003 as well as the average closing price for UnitedHealth Group for the thirty day, sixty day, one hundred and eighty day and one year periods ended October 24, 2003, Lehman Brothers analyzed the 0.82 shares of UnitedHealth Group common stock and the $18.00 a share in cash offered to the MAMSI stockholders, to derive premiums over the stock price of MAMSI on October 24, 2003 as well as the average closing price for MAMSI for the thirty day, sixty day, one hundred and eighty day and one year periods ending October 24, 2003. The results of this analysis are set forth below.

	Implied Premium
October 24, 2003	16.0%
30 day average	15.2%
60 day average	16.5%
180 day average	22.6%
1 year average	30.6%

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Lehman Brothers reviewed the one-day premiums for 49 transactions valued between $1 billion and $5 billion announced after January 1, 2001, excluding all-cash transactions and certain other transactions in the technology and telecommunications industries that Lehman Brothers deemed not to be relevant. These 49 transactions are identified below:

Target	Acquirer	One Day Premium
Schuler Homes Inc	DR Horton Inc	83.0%
Galileo International Inc	Cendant Corp	62.4%
Sensormatic Electronics Corp	Tyco International Ltd	53.6%
Dal-Tile International Inc	Mohawk Industries Inc	51.4%
F&M National,Winchester,VA	BB&T Corp	47.2%
RightCHOICE Managed Care Inc	WellPoint Health Networks Inc	46.3%
Interlogix Inc	General Electric Co.	35.4%
United Dominion Industries Ltd	SPX Corp	35.1%
Mitchell Energy & Development	Devon Energy Corp	32.3%
NOVA Corp	US Bancorp	31.8%
Hispanic Broadcasting Corp	Univision Communications Inc	31.1%
Homestake Mining Co	Barrick Gold Corp	31.1%
CR Bard Inc	Tyco International Ltd	30.4%
Centura Bank Inc,	Royal Bank of Canada	29.6%
Crown American Realty Trust	Pennsylvania Real Estate Inv	29.5%
Titan Corp	Lockheed Martin Corp	28.8%
Aviron	MedImmune Inc	28.0%
Dean Foods Co	Suiza Foods Corp	25.9%
OfficeMax Inc	Boise Cascade Corp	25.4%
IGEN International Inc	Roche Holding AG	25.0%
Trigon Healthcare Inc	Anthem Inc	24.7%
First Virginia Banks Inc	BB&T Corp	24.7%
HS Resources Inc	Kerr-McGee Corp	23.9%
Del Webb Corp	Pulte Homes Inc	23.7%
Louis Dreyfus Natural Gas	Dominion Resources Inc	22.2%
Wallace Computer Services Inc	Moore Corp Ltd	21.8%
Neuberger Berman Inc	Lehman Brothers Holdings Inc	20.5%
Cabot Industrial Trust	CalWest Industrial Ppty	20.3%
Conectiv Inc	Potomac Electric Power Company	19.1%
RGS Energy Group	Energy East Corp	19.0%
Global Marine Inc	Santa Fe International Corp	16.8%
Marine Drilling Cos	Pride International Inc	13.4%
Charles E Smith Residential	Archstone Communities Trust	10.7%
Intimate Brands Inc(Limited)	Limited Inc	10.2%
USX-US Steel Group	Shareholders	10.1%
Anchor Gaming Inc	International Game Technology	9.8%
Bergen Brunswig Corp	AmeriSource Health Corp	9.7%
UTI Energy Corp	Patterson Energy Inc	8.8%
Storage USA Inc	Security Capital Group Inc	7.3%
True North Communications Inc	Interpublic Group of Cos Inc	7.3%
Westvaco Corp	Mead Corp	5.8%
Barrett Resources Corp	Williams Cos Inc	5.8%
Newport News Shipbuilding Inc	Northrop Grumman Corp	3.8%
MeriStar Hospitality Corp	Felcor Lodging Trust Inc	2.2%
Illuminet Holdings Inc	VeriSign Inc	1.8%
Roslyn Bancorp Inc	New York Community Bancorp Inc	-2.5%
Belco Oil & Gas Corp	Westport Resources Corp	-4.4%
Dallas-Semiconductor Corp	Maxim Integrated Products Inc	-7.2%

JDN Realty Corp	Developers Diversified Realty	-8.4%

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Lehman Brothers grouped these transactions into four equal groups, ranked in descending order based on the one-day premium paid, and compared them to MAMSI s implied one-day premium of 16.0%, the results of which are set forth below. Lehman Brothers noted that the MAMSI one-day implied premium was within the third group of premiums reviewed. Lehman Brothers concluded that such analysis was supportive of its opinion as to the fairness of the consideration to be offered to the MAMSI stockholders in the merger.

	Low	Average	High
First Group	31.0%	45.1%	83.0%
Second Group	24.0%	26.6%	31.0%
Third Group	10.0%	16.2%	22.0%
Fourth Group	(9.0)%	2.3%	9.5%

Analysis of MAMSI

Comparable Company Analysis. In order to assess how the public market values shares of publicly traded companies similar to MAMSI, Lehman Brothers reviewed and compared specific financial and operating data relating to MAMSI, the Blue Cross Blue Shield Companies, the Multi-market Companies and the Regional Companies. Using publicly available information, Lehman Brothers calculated and analyzed each company s October 24, 2003 stock price to its projected calendar year (CY) 2003 and 2004 earnings per share (commonly referred to as a price earnings ratio, or P/E) and each company s enterprise value to certain historical financial criteria, including the latest twelve months (LTM) revenues and earnings before interest, taxes, depreciation and amortization (EBITDA) and projected CY 2003 and 2004 financial criteria (such as revenues and EBITDA). The enterprise value of each company was obtained by adding its short and long-term debt to the sum of the market value of its diluted common equity, the value of any preferred stock (at liquidation value), the book value of any minority interest and the value of any material debt-equivalent liabilities. Because MAMSI management projections provided to Lehman Brothers did not include projections for CY 2004, Lehman Brothers did not calculate projected CY 2004 multiples for MAMSI.

	Enterprise Value as a multiple of:				P/E	
	LTM Revenue	LTM EBITDA	Projected CY 2003 EBITDA	Projected CY 2004 EBITDA	Projected CY 2003	Projected CY 2004
Blue Cross Blue Shield Companies						
Mean	0.72x	8.9x	8.6x	7.6x	15.0x	12.9x
Median	0.77x	9.1x	8.3x	7.4x	15.0x	12.9x
Multi-market Companies						
Mean	1.04x	9.6x	8.7x	7.9x	13.7x	11.9x
Median	0.66x	9.1x	8.2x	7.2x	13.6x	12.3x
Regional Companies						
Mean	0.51x	6.7x	6.3x	5.5x	10.4x	9.3x
Median	0.49x	6.8x	6.3x	5.5x	10.2x	9.3x
MAMSI						
Independent Research Analysts Estimates						
Current	0.90x	10.6x	9.5x	8.4x	14.8x	12.9x
Implied Transaction	1.07x	12.5x	11.2x	9.9x	17.2x	15.0x
MAMSI Management Projections						
Current	0.90x	10.6x	8.7x	N/A	13.5x	N/A

Implied Transaction	1.07x	12.5x	10.2x	N/A	15.6x	N/A

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Lehman Brothers determined, based on the geographic scope of MAMSI s operations, that the regional companies are the most appropriate comparables. However, because of the inherent differences between the business, operations and prospects of MAMSI and the business, operations and prospects of the companies included in the comparable companies, Lehman Brothers believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the comparable company analysis and accordingly also made qualitative judgments concerning differences between the financial and operating characteristics and prospects of MAMSI and the companies included in the comparable company analysis that would affect the public trading values of each.

Lehman Brothers noted that the implied transaction multiples for MAMSI utilizing both the independent research analysts estimates and MAMSI s projections were in excess of the mean and median of the regional companies as of October 24, 2003, the last trading date prior to the delivery of the Lehman Brothers opinion. Lehman Brothers concluded that such analysis was supportive of its opinion as to the fairness of the consideration to be offered to the MAMSI stockholders in the merger.

Comparable Transaction Analysis. Lehman Brothers reviewed six acquisitions, each announced within the three years prior to the delivery of the Lehman Brothers opinion, of companies in the health insurance and well- being industries that Lehman Brothers deemed comparable to the merger based upon the size of such acquisitions. Set forth below are the announcement date and parties to those transactions:

Announcement Date	Target	Acquirer
June 23, 2003	Cobalt Corporation	WellPoint Health Networks Inc.
January 16, 2003	CareFirst, Inc.	WellPoint Health Networks Inc.
June 17, 2002	AmeriChoice Corp.	UnitedHealth Group Inc.
April 29, 2002	Trigon Healthcare, Inc.	Anthem, Inc.
October 17, 2001	RightCHOICE Managed Care, Inc.	WellPoint Health Networks Inc.
November 28, 2000	Cerulean Companies	WellPoint Health Networks Inc.

Lehman Brothers considered the transaction values as a multiple of LTM (prior to the acquisition) EBITDA and LTM revenues and also considered the transaction value of the acquisitions on a per member basis based upon the number of members served by the respective acquisition target immediately prior to the acquisition announcement. Lehman Brothers compared these results to the values implied by the merger. Lehman Brothers also considered the equity values of the comparable transactions as a multiple of LTM net income and projected net income according to third party research that was available at the time immediately before the respective transactions were announced and compared them to the values implied by the merger. Lehman Brothers deemed the multiple of LTM EBITDA to be a particularly relevant benchmark, because multiples of EBITDA are the most consistent and available of the set of metrics across the comparable set of transactions, and because it is easily calculated using the same methodology for each comparable transaction. Lehman Brothers noted that the implied transaction LTM EBITDA multiple of 12.5x was in excess of the mean and median of the comparable transactions. Lehman Brothers concluded that such analysis was supportive of its opinion as to the fairness of the consideration to be offered to the MAMSI stockholders in the merger.

	Mean	Median	High	Low	MAMSI Implied Transaction
Transaction Value divided by:					
LTM Revenue	0.77x	0.73x	1.41x	0.20x	1.07x
LTM EBITDA	11.1x	10.8x	15.8x	8.1x	12.5x
Members	$ 890.8	$ 588.0	$ 1,763.0	$ 379.8	$ 1,370.1
Equity Value as a multiple of:					
LTM Net Income	22.4x	23.1x	25.7x	18.3x	19.3x
1 Year Forward Net Income	20.2x	20.7x	23.7x	16.4x	15.0x

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Contribution Analysis. Lehman Brothers analyzed the respective contributions of MAMSI and UnitedHealth Group to certain income statement metrics such as the LTM EBITDA, LTM EBIT and LTM net income for the combined company. The results of this analysis are set forth below.

	MAMSI	UnitedHealth Group
LTM EBITDA	6.7%	93.3%
LTM EBIT	7.0%	93.0%
Enterprise Value	6.8%	93.2%
LTM Net Income	7.3%	92.7%
Equity Value assuming all stock transaction	7.1%	92.9%

This analysis indicated that the contribution from MAMSI was consistent with the implied ownership of the combined company of 7.1%, assuming an all-stock transaction. Lehman Brothers concluded that such analysis was supportive of its opinion as to the fairness of the consideration to be offered to the MAMSI stockholders in the merger.

Analysis of UnitedHealth Group

Comparable Company Analysis

In order to assess how the public market values shares of publicly traded companies similar to UnitedHealth Group, Lehman Brothers reviewed and compared specific financial and operating data relating to UnitedHealth Group with the Blue Cross Blue Shield Companies, the Multi-market Companies (excluding UnitedHealth Group) and the Regional Companies, as Lehman Brothers deemed these companies comparable to UnitedHealth Group.

Lehman Brothers determined that, because equity analysts primarily value these comparable companies on projected earnings, the use of CY 2003 P/E and CY 2004 P/E multiple range was the most appropriate reference range in analyzing how the public market values the UnitedHealth Group shares. Lehman Brothers calculated the CY 2003 P/E for UnitedHealth Group as of October 24, 2003 at 18.6x and CY 2004 P/E for UnitedHealth Group as of October 24, 2003 at 15.3x. Lehman Brothers also considered UnitedHealth Group s one-year forward P/E multiple over time from October 23, 2000 to October 24, 2003 as compared to the Blue Cross Blue Shield Companies, Multi-market Companies (excluding UnitedHealth Group) and Regional Companies (adding MAMSI to this group for purposes of the UnitedHealth Group analysis), and noted that UnitedHealth Group is typically valued at a premium to these comparable groups. Lehman Brothers also noted that UnitedHealth Group s average one-year forward P/E multiple from October 23, 2000 to October 24, 2003 was 22.6x and that the current one-year forward P/E of 18.6x was lower than that average.

However, because of the inherent differences between the business, operations and prospects of UnitedHealth Group and the business, operations and prospects of the companies included in the comparable companies, Lehman Brothers believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the comparable company analysis and accordingly also made qualitative judgments concerning differences between the financial and operating characteristics and prospects of UnitedHealth Group and the companies included in the comparable company analysis that would affect the public trading values of each. In particular, Lehman Brothers considered, among other things, UnitedHealth Group s relative size as measured by revenues, net income and membership compared to companies in the comparable company analysis, its geographic diversity and diversity of its services in determining that there were qualitative differences between UnitedHealth Group and its peers.

Pro Forma Analysis

Lehman Brothers analyzed the pro forma effect of the transaction on the earnings per share of UnitedHealth Group. For the purposes of this analysis, Lehman Brothers utilized projections consistent with independent research analysts estimates and certain assumptions regarding the financing of the cash portion of the merger. This analysis indicated that the merger would be accretive to UnitedHealth Group s earnings per share in 2004 and 2005. The financial forecasts and assumptions that underlie this analysis are subject to substantial uncertainty and, therefore, actual results may be substantially different.

Miscellaneous

Lehman Brothers is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. MAMSI s board of directors selected Lehman Brothers because of its expertise, reputation and familiarity with MAMSI and the healthcare insurance and well-being industry generally, and because its investment banking professionals have substantial experience in transactions comparable to the transaction.

As compensation for its services in connection with the merger, MAMSI has agreed to pay Lehman Brothers a fee based on the value, at closing, of the consideration paid by UnitedHealth Group. Based on the October 26, 2003 value of such consideration, such fee would aggregate approximately $11 million, approximately 10% of which was payable upon the announcement of the proposed merger and approximately 90% of which is contingent upon the completion of the merger. In addition, MAMSI has agreed to reimburse Lehman Brothers for reasonable out-of-pocket expenses incurred in connection with its engagement and to indemnify Lehman Brothers for certain liabilities that may arise out of its engagement by MAMSI and the rendering of the Lehman Brothers opinion.

In the ordinary course of its business, Lehman Brothers may actively trade in the debt or equity securities of MAMSI and UnitedHealth Group for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities. In addition, within the past year, Lehman Brothers co-managed a public offering of UnitedHealth Group debt securities for which it received customary underwriting compensation.

Opinion of Houlihan Lokey Howard & Zukin Financial Advisors, Inc.

On October 26, 2003, Houlihan Lokey rendered to MAMSI s board of directors its written opinion that, as of such date and based upon the considerations set forth in the opinion, the consideration to be received by MAMSI s stockholders in connection with the merger was fair from a financial point of view. The full text of the opinion is attached as Appendix B-2 to this proxy statement/prospectus.

You are urged to read the opinion carefully and in its entirety. The opinion has certain limitations: it addresses only the fairness of the consideration to be received by MAMSI s stockholders, from a financial point of view and it does not address any other aspect of the merger or constitute a recommendation to any of MAMSI s stockholders as to how they should vote on the merger. This summary is qualified in its entirety by reference to the full text of the opinion.

The opinion does not address MAMSI s underlying business decision to effect the merger. Houlihan Lokey did not negotiate the merger. Houlihan Lokey was not engaged to identify prospective purchasers or to ascertain the actual prices at which and terms on which all or part of MAMSI or its securities could currently be sold. The opinion was only one of the factors taken into consideration by MAMSI s board of directors in making its determination to approve and adopt the merger agreement.

In connection with the opinion, Houlihan Lokey made such reviews, analyses and inquiries as it deemed necessary and appropriate under the circumstances. Among other things, Houlihan Lokey: (1) reviewed MAMSI s annual reports to stockholders on Form 10-K for the fiscal years ended December 31, 2000 through

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2002 and quarterly report on Form 10-Q for the quarter ended June 30, 2003, which MAMSI s management has identified as the most current information available; (2) reviewed UnitedHealth Group s annual reports to shareholders on Form 10-K for the fiscal years ended December 31, 2000 through 2002 and quarterly report on Form 10-Q for the quarter ended June 30, 2003; (3) reviewed the merger agreement; (4) met or spoke with certain members of the senior management of MAMSI and UnitedHealth Group to discuss the operations, financial condition, future prospects and projected operations and performance of MAMSI and UnitedHealth Group; (5) reviewed earnings estimates prepared by management of MAMSI with respect to MAMSI for the year ended December 31, 2003; (6) reviewed the historical market prices and trading volume for MAMSI s and UnitedHealth Group s publicly traded securities; (7) reviewed MAMSI s board meeting minutes for fiscal year 2003; (8) reviewed certain other publicly available financial data for certain companies that Houlihan Lokey deemed comparable to MAMSI and UnitedHealth Group, and publicly available prices and premiums paid in other transactions that Houlihan Lokey considered similar to the merger; and (9) conducted such other studies, analyses and inquiries as Houlihan Lokey deemed appropriate.

In rendering the opinion, Houlihan Lokey relied upon and assumed, without independent verification, that the earnings estimates provided to it were reasonably prepared and reflect the best currently available estimates of the future financial results and condition of MAMSI, and that there had been no material change in MAMSI s assets, financial condition, business or prospects since the date of the most recent financial statements made available to Houlihan Lokey. In rendering the opinion, Houlihan Lokey further relied upon the assurances of MAMSI s management that they were not aware of any facts that would make such information inaccurate or misleading.

Houlihan Lokey did not independently verify the accuracy and completeness of the information supplied to it with respect to MAMSI or UnitedHealth Group and does not assume any responsibility with respect to such information. Houlihan Lokey is not an actuarial firm and its services did not include any actuarial determinations or evaluations by Houlihan Lokey or an attempt to evaluate actuarial assumptions. Houlihan Lokey made no analyses of, and expresses no opinion as to, the adequacy of the reserves of MAMSI or UnitedHealth Group and relied upon information supplied to it by MAMSI and UnitedHealth Group as to such adequacy. In addition, Houlihan Lokey did not make a physical inspection or independent appraisal of the properties or assets and liabilities (contingent or otherwise) of MAMSI or UnitedHealth Group or any of their respective subsidiaries and Houlihan Lokey was not furnished with any such appraisal. Houlihan Lokey assumed that the merger would qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Houlihan Lokey also assumed that the merger would be completed in a timely manner and in accordance with the terms of the merger agreement without any limitations, restrictions, conditions, amendments or modifications, regulatory or otherwise, that would have an adverse effect on the parties to the merger agreement or on MAMSI and UnitedHealth Group on a combined basis or on the contemplated benefits of the merger and Houlihan Lokey further assumed that all material governmental, regulatory or other consents or approvals necessary for the completion of the merger would be obtained without any adverse effect. The opinion is necessarily based on business, economic, market and other conditions as they existed and could be evaluated by Houlihan Lokey at the date of the opinion.

Presentations to MAMSI Board of Directors

On October 24, 2003, Houlihan Lokey presented to MAMSI s board of directors the financial analyses performed by Houlihan Lokey, as of such date, in connection with its opinion. At the meeting of the board of directors, Houlihan Lokey stated that it would be able to deliver its opinion subject to negotiation of the final terms of the merger agreement and barring any unforeseen events, as to the fairness, from a financial point of view, of the merger consideration to be received by the stockholders of MAMSI based on such analyses. Subsequently, on October 26, 2003, Houlihan Lokey, after updating its analysis to account for the final terms of the merger agreement, rendered its opinion as to the fairness, from a financial point of view, of the merger consideration to be paid to the stockholders of MAMSI common stock. The following is a summary of the material financial analyses performed by Houlihan Lokey and presented to MAMSI s board of directors in connection with rendering the oral and written opinion described above.

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The following summary, however, does not purport to be a complete description of the analyses performed by Houlihan Lokey. The order of analyses described, and the results of those analyses, do not represent relative importance or weight given to those analyses by Houlihan Lokey. The analyses in their entirety support the fairness determination. Some of the summaries of the financial analyses include information presented in tabular format. In order to fully understand such analyses, the tables must be read together with the full text of each summary and are alone not a complete description of Houlihan Lokey s financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before October 24, 2003 and is not necessarily indicative of current market conditions. Considering the data set forth below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses.

Stock Price History

Houlihan Lokey reviewed the historical prices of the common stock of UnitedHealth Group from October 22, 2002 to October 22, 2003 both separately and in relation to MAMSI, the S&P 500 Index and to an index comprised of the following 7 managed care companies:

Anthem, Inc.	Oxford Health Plans, Inc.
Coventry Health Care, Inc.	WellChoice, Inc.
Health Net, Inc.	WellPoint Health Networks Inc.
Humana, Inc.	

This index was generated for the purposes of this analysis, and for a discussion for how the companies constituting this index were selected, please refer to the respective Market Multiple Method discussions under the sections entitled Independent Valuation Analyses MAMSI on page __ and Independent Valuation Analyses UnitedHealth Group on page __.

Houlihan Lokey reviewed the volume of shares of UnitedHealth Group traded at various price ranges. In addition, Houlihan Lokey reviewed both individually and in relation to each other, the price to earnings ratio history of MAMSI and UnitedHealth Group from July 27, 2001 to October 15, 2003.

Analysis of the Implied Offer Price

Using the closing price of UnitedHealth Group stock as of October 24, 2003, as well as the average closing price of UnitedHealth Group stock 10 days prior, 30 days prior, 60 days prior and 90 days prior to October 24, 2003, Houlihan Lokey analyzed the $18.00 in cash and the 0.82 shares of UnitedHealth Group common stock to be paid for each share of MAMSI common stock to derive the offer premium over MAMSI s closing share price on October 24, 2003, as well as the closing price of MAMSI common stock 10 days prior, 30 days prior, 60 days prior and 90 days prior. Houlihan Lokey concluded that such analysis was supportive of its opinion as to the fairness of the consideration to be received by the MAMSI stockholders in the merger.

	10/24/2003 Close	**10 Days Prior Average**	**30 Days Prior Average**	**60 Days Prior Average**	**90 Days Prior Average**

Premium to MAMSI closing share price	16.0%	16.2%	16.3%	11.6%	14.3%

In addition, Houlihan Lokey reviewed certain implied multiples for MAMSI, using the closing price of UnitedHealth Group common stock as of October 24, 2003, as well as the average closing price of UnitedHealth Group stock 10 days prior, 30 days prior, 60 days prior and 90 days prior to October 24, 2003 as well as MAMSI s LTM and projected 2003 earnings estimates and equity research analyst s estimates for 2004. The multiples reviewed included: enterprise value as a multiple of total operating revenue, enterprise value as a

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multiple of earnings before interest, taxes, depreciation and amortization, commonly referred to as EBITDA, and equity consideration as a multiple of net income. Enterprise value was calculated as equity value plus medical claims payable and debt, less cash and marketable securities, restricted cash and investments. Revenue and EBITDA metrics excluded investment income. Houlihan Lokey concluded that such analysis was supportive of its opinion as to the fairness of the consideration to be received by the MAMSI stockholders in the merger.

Enterprise Value as a multiple of total operating revenue

	10/24/2003 Close	10 Days Prior Average	30 Days Prior Average	60 Days Prior Average	90 Days Prior Average
LTM	0.96x	0.93x	0.89x	0.92x	0.92x
FY 2003E	0.90x	0.87x	0.84x	0.87x	0.87x
FY 2004E	0.80x	0.77x	0.74x	0.77x	0.77x

Enterprise Value as a multiple of EBITDA

	10/24/2003 Close	10 Days Prior Average	30 Days Prior Average	60 Days Prior Average	90 Days Prior Average
LTM	12.1x	11.7x	11.3x	11.7x	11.7x
FY 2003E	10.7x	10.3x	9.9x	10.3x	10.3x
FY 2004E	9.0x	8.7x	8.4x	8.7x	8.7x

Equity consideration (diluted) as a multiple of net income

	10/24/2003 Close	10 Days Prior Average	30 Days Prior Average	60 Days Prior Average	90 Days Prior Average
LTM	20.3x	19.7x	19.0x	19.6x	19.6x
FY 2003E	17.9x	17.3x	16.7x	17.3x	17.3x
FY 2004E	15.0x	14.6x	14.1x	14.6x	14.6x

Premium Analysis. Houlihan Lokey reviewed the transaction premium to MAMSI s closing share price 1 day, 10 days and 30 days prior, and compared the premiums to the mean and median premiums realized in change of control transactions within the managed care industry within approximately the past two years. For a more detailed discussion as to why these transactions were selected, please refer to the discussion entitled Precedent Transactions contained in the section Independent Valuation Analyses MAMSI on page . The acquisition of AmeriChoice by UnitedHealth Group was excluded from the Premium Analysis because AmeriChoice was not a public company, and thus a transaction premium could not be calculated. Houlihan Lokey acknowledged that MAMSI s common stock had increased by 58.7% from January 2, 2003 to October 24, 2003. Houlihan Lokey concluded that such analysis was supportive of its opinion as to the fairness of the consideration to be received by the MAMSI stockholders in the merger.

Announced Date	Target	Acquirer	Premium over Closing Price 1 Day Prior	Premium over Closing Price 10 Days Prior	Premium over Closing Price 30 Days Prior
6/3/2003	Cobalt Corporation	Wellpoint Health Networks	13.9%	22.3%	42.2%
4/29/2002	Trigon	Anthem	19.6%	33.2%	38.8%

10/18/2001	RightCHOICE Managed Care	Wellpoint Health Networks	46.3%	32.8%	41.0%
Mean			26.6%	29.4%	40.7%
Median			19.6%	32.8%	41.0%
10/24/2003	MAMSI	UnitedHealth Group	16.0%	19.5%	23.3%

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Exchange Ratio Analysis. Houlihan Lokey performed an exchange ratio analysis comparing the closing prices for MAMSI common stock and UnitedHealth Group common stock on October 24, 2003 and the average daily closing prices of MAMSI common stock and UnitedHealth Group common stock for the 10, 30, 60 and 90 days preceding October 24, 2003. After taking into account the $18.00 in cash component of the consideration to be paid for each share of MAMSI common stock, this analysis yielded an implied exchange ratio range of 0.65x to 0.70x, as compared to the exchange ratio provided for in the merger of 0.82x. Houlihan Lokey concluded that such analysis was supportive of its opinion as to the fairness of the consideration to be received by the MAMSI stockholders in the merger.

Period	Implied Exchange Ratio
October 24, 2003	0.66
10 Days Prior	0.66
30 Days Prior	0.65
60 Days Prior	0.70
90 Days Prior	0.67

Accretion Dilution Analysis. Houlihan Lokey analyzed the potential pro forma financial effect of the merger on UnitedHealth Group s estimated EPS for calendar year 2004. Estimated data for MAMSI and UnitedHealth Group were based on publicly available research analysts estimates. Estimated data for this analysis did not take into account any potential cost savings or other synergies that could result from the merger. Based on the merger consideration, this analysis suggested that the merger could be accretive to UnitedHealth Group s estimated EPS in calendar year 2004. The actual results achieved by the combined company may vary from projected results and the variations may be material. Houlihan Lokey concluded that such analysis was supportive of its opinion as to the fairness of the consideration to be received by the MAMSI stockholders in the merger.

Contribution Analysis. Houlihan Lokey analyzed the relative contributions of MAMSI and UnitedHealth Group to certain income statement items for the projected fiscal years 2003 and 2004 as well as the equity and enterprise valuations for the combined company. Estimates of 2003 revenue, EBITDA, earnings before interest and taxes (EBIT) and net income for MAMSI were based on projections prepared by MAMSI and analyst estimates. Estimates of 2003 revenue, EBITDA, EBIT and net income for UnitedHealth Group and estimates of 2004 revenue, EBITDA, EBIT and net income for both MAMSI and UnitedHealth Group were based on analyst estimates. No synergies from the merger were considered. This analysis indicated that MAMSI would contribute the following to the combined company: 8.6% for fiscal year 2003 and 8.8% for fiscal year 2004 of total operating revenue; 7.1% for fiscal year 2003 and 7.2% for fiscal year 2004 of EBITDA; 7.5% for fiscal year 2003 and 7.5% for fiscal year 2004 of EBIT; and 7.8% for fiscal year 2003 and 7.7% for fiscal year 2004 of net income. This analysis further indicated that MAMSI would contribute 5.7% of the diluted equity market capitalization and 6.9% of the enterprise value. Houlihan Lokey concluded that such analysis was supportive of its opinion as to the fairness of the consideration to be received by the MAMSI stockholders in the merger.

	2003		2004	
	MAMSI	UnitedHealth Group	MAMSI	UnitedHealth Group
Revenue	8.6%	91.4%	8.8%	91.2%
EBITDA	7.1%	92.9%	7.2%	92.8%
EBIT	7.5%	92.5%	7.5%	92.5%
Net Income	7.8%	92.2%	7.7%	92.3%
Fully Diluted Market Capitalization	5.7%	94.3%		
Enterprise Value	6.9%	93.1%		

Independent Valuation Analyses MAMSI

Houlihan Lokey relied on the market multiple method and precedent transactions to independently value MAMSI.

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Market Multiple Method. The market multiple method involved the derivation of indications of value through the multiplication of statistics of MAMSI by appropriate multiples. Multiples were determined through an analysis of publicly traded companies that were deemed by Houlihan Lokey to be comparable from an investment standpoint to MAMSI, which Houlihan Lokey refers to as comparable public companies. A comparative analysis between MAMSI and the comparable public companies formed the basis for the selection of appropriate multiples for MAMSI. The comparative analysis incorporates quantitative and qualitative factors, which relate to, among other things, the nature of the industry in which MAMSI is engaged and the relative financial performance of MAMSI and the comparable public companies.

Houlihan Lokey selected Anthem, Inc., Health Net, Inc., Humana, Inc., WellPoint Health Networks Inc., Coventry Health Care, Inc., Oxford Health Plans, Inc., and WellChoice, Inc. for comparison because they are publicly traded managed care companies with operations that, for purposes of this analysis, may be considered similar to the operations of MAMSI. Houlihan Lokey selected the comparable public companies based on companies that had a history of positive member growth, revenue and earnings growth, and profitability, as well as companies that were of sufficient size, and businesses comprised principally of commercial health members.

Out of a total of seventeen publicly-traded managed care companies, seven were included in Houlihan Lokey s market multiple method analysis. Those that were excluded from the analysis were deemed not comparable on the basis of one or more of the following factors: (i) having a significant amount of business subject to government reimbursement (whether Medicare, Medicaid, or TRICARE), (ii) historical and projected growth rates of members, revenue and earnings either lower than MAMSI, or negative, (iii) historical and projected profitability not on par with MAMSI, and (iv) having a significant amount of non-health insurance, non-risk bearing business.

Houlihan Lokey reviewed publicly available information as of October 24, 2003, including information from publicly available research analyst materials, to calculate and compare ratios of total enterprise value to EBITDA and price to earnings for LTM and projected fiscal years 2003 and 2004. The results of the analysis are summarized in the following tables.

	TEV/EBITDA		
Selected Companies	**LTM**	**Projected 2003**	**Projected 2004**
Range	5.0x 9.9x	4.5x 8.7x	4.0x 7.6x
Median	8.2x	7.1x	6.4x
Mean	7.5x	6.8x	6.0x

	Price/Earnings		
Selected Companies	**LTM**	**Projected 2003**	**Projected 2004**
Range	8.3x-18.6x	10.2x 15.0x	9.4x 13.3x
Median	15.8x	14.1x	12.4x
Mean	14.2x	13.4x	12.0x

After analyzing and considering both qualitative and quantitative factors, Houlihan Lokey selected (i) an LTM EBITDA multiple range of 11.0x to 12.0x, and an LTM earnings multiple range of 19.0x to 21.0x, (ii) a projected 2003 EBITDA multiple range of 9.0x to 10.0x, and a 2003 projected earnings multiple range of 16.0x to 17.0x and (iii) a projected 2004 EBITDA multiple range of 8.0x to 9.0x and a 2004 projected earnings multiple range of 13.0x to 14.0x. Houlihan Lokey selected the multiple ranges based on MAMSI s strong growth in members, revenue and profitability as well as improvement in margins, strong name recognition and market leadership in its local markets, and high organic growth rate in comparison to the comparable public companies.

MAMSI s EBITDA for the latest twelve month period was $199.2 million and earnings for the LTM period were $122.2 million. MAMSI s projected EBITDA for fiscal year 2003 is $226.3 million and projected earnings for fiscal year 2003 are $151.4 million. MAMSI s projected EBITDA for fiscal year 2004 is $268.7 million and

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projected earnings for fiscal year 2004 are $179.9 million. Applying the multiples selected by Houlihan Lokey to the actual and projected EBITDA and earnings of MAMSI produced an indication of enterprise value for MAMSI of $2.0 billion to $2.2 billion.

Houlihan Lokey concluded that such analysis was supportive of its opinion as to the fairness of the consideration to be received by the MAMSI stockholders in the merger.

Precedent Transactions. Houlihan Lokey reviewed publicly available information for completed merger or acquisition transactions in the managed care industry since October 18, 2001. Houlihan Lokey reviewed equity values as a multiple of LTM net income and next fiscal year and enterprise values of multiples of LTM EBITDA and next fiscal year EBITDA. The selected transactions considered by Houlihan Lokey included:

Cobalt Corporation / WellPoint Health Networks, announced June 3, 2003;

AmeriChoice / UnitedHealth Group, announced June 17, 2002;

Trigon / Anthem, announced April 29, 2002; and

RightCHOICE Managed Care / WellPoint Health Networks, announced October 18, 2001.

These transactions were deemed comparable because they involved the acquisition of companies with leading managed care businesses of sufficient size (enterprise value greater than $500 million). The only transaction from the selected time period that fit these criteria and was excluded was the proposed acquisition of CareFirst BlueCross BlueShield by WellPoint Health Networks, announced November 20, 2001. This transaction was excluded from the analysis because it was not consummated.

The following table compares information with respect to the ranges of multiples for these selected transactions:

	Selected Transactions Range	Mean	Median
EV as a multiple of latest twelve months EBITDA	8.3x to 17.4x	11.7x	10.5x
Equity consideration as a multiple of latest twelve months net income	13.2x to 32.3x	21.5x	20.3x
EV as a multiple of next fiscal year EBITDA	9.0x to 11.2x	10.1x	10.1x
Equity consideration as a multiple of next fiscal year net income	21.3x to 23.6x	22.4x	22.2x

Houlihan Lokey deemed the WellPoint Health Networks acquisition of Cobalt Corporation, Anthem s acquisition of Trigon and Wellpoint Health Networks acquisition of RightCHOICE Managed Care as the most relevant precedents. After analyzing and considering both qualitative and quantitative factors, Houlihan Lokey selected an LTM EBITDA multiple range of 11.5x to 12.5x, and an LTM earnings multiple range of 20.0x to 21.0x. MAMSI s EBITDA for the latest twelve month period was $199.2 million and MAMSI s earnings for the latest twelve month period were $122.2 million. Applying the multiples selected by Houlihan Lokey to the actual EBITDA and earnings of MAMSI produced an indication of enterprise value for MAMSI of $2.1 billion to $2.3 billion.

Houlihan Lokey concluded that such analysis was supportive of its opinion as to the fairness of the consideration to be received by the MAMSI stockholders in the merger.

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Valuation Conclusion.

Based on the Market Multiple and Precedent Transactions Methods, Houlihan Lokey concluded an enterprise value from operations of $2.0 billion to $2.3 billion for MAMSI. Adding back cash and assumed proceeds from the exercise of options of $806 million and subtracting debt and medical claims payable of $355 million indicates an aggregate equity value of $2.5 billion to $2.7 billion and a value per share of $53.42 to $58.87, based on fully-diluted shares of 45.9 million, compared to MAMSI s closing share price of $53.88 as of October 24, 2003.

($ in million, except per share amounts)	**Low**	**High**
Market Multiple Methodology	$ 2,000	$ 2,200
Precedent Transactions	$ 2,100	$ 2,300
Enterprise Value	**$ 2,000**	**$ 2,250**
Add: Cash	$ 806	$ 806
Less:		
Debt and Medical Claims Payable	$ 355	$ 355
Equity Value	**$ 2,450**	**$ 2,700**
Total Shares	45.9	45.9
Share Price in Dollars	**$ 53.42**	**$ 58.87**
Closing Share Price as of October 24, 2003	$53.88	

Independent Valuation Analyses UnitedHealth Group

Houlihan Lokey relied on the market multiple method to independently value UnitedHealth Group.

Market Multiple Method. The Market Multiple Method involved the derivation of indications of value through the multiplication of statistics of UnitedHealth Group by appropriate multiples. Multiples were determined through an analysis of publicly traded companies that were deemed by Houlihan Lokey to be comparable from an investment standpoint to UnitedHealth Group, which we refer to as comparable public companies. A comparative analysis between UnitedHealth Group and the comparable public companies formed the basis for the selection of appropriate multiples for UnitedHealth Group. The comparative analysis incorporates quantitative and qualitative factors, which relate to, among other things, the nature of the industry in which UnitedHealth Group is engaged and the relative financial performance of UnitedHealth Group and the comparable public companies.

Houlihan Lokey selected Anthem, Inc., Health Net, Inc., Humana, Inc., WellPoint Health Networks Inc., Coventry Health Care, Inc., Oxford Health Plans, Inc., and WellChoice, Inc. for comparison because they are publicly traded managed care companies with operations that, for purposes of this analysis, may be considered similar to the operations of UnitedHealth Group.

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Houlihan Lokey reviewed publicly available information as October 24, 2003, including information from publicly available research analyst materials, to calculate and compare ratios of total enterprise value to EBITDA and price to earnings for the latest twelve month period and projected fiscal years 2003 and 2004. The results of the analysis are summarized in the following tables.

	TEV/EBITDA		
Selected Companies	**LTM**	**Projected 2003**	**Projected 2004**
Range	5.0x 9.9x	4.5x 8.7x	4.0x 7.6x
Median	8.2x	7.1x	6.4x
Mean	7.5x	6.8x	6.0x

	Price/Earnings		
Selected Companies	**LTM**	**Projected 2003**	**Projected 2004**
Range	8.3x-18.6x	10.2x 15.0x	9.4x 13.3x
Median	15.8x	14.1x	12.4x
Mean	14.2x	13.4x	12.0x

After analyzing and considering both qualitative and quantitative factors, Houlihan Lokey selected (i) a latest twelve month EBITDA multiple of 12.0x to 13.0x, and a latest twelve month earnings multiple range of 21.0x to 23.0x, (ii) a projected 2003 EBITDA multiple range of 10.0x to 11.0x, and a 2003 projected earnings multiple range of 18.0x to 20.0x and (iii) a projected 2004 EBITDA multiple range of 8.0x to 9.0x, and a 2004 projected earnings multiple range of 16.0x to 18.0x. Houlihan Lokey chose the multiple ranges based on UnitedHealth Group s position as a leading managed care provider with national capabilities, a spectrum of robust plan options and demonstrated profitability.

UnitedHealth Group s EBITDA for the latest twelve month period was $2.6 billion and earnings for the latest twelve month period were $1.5 billion. UnitedHealth Group s projected EBITDA for fiscal year 2003 is $2.9 billion and projected earnings are $1.8 billion. UnitedHealth Group s projected EBITDA for fiscal year 2004 is $3.5 billion and projected earnings are $2.2 billion. Applying the multiples selected by Houlihan Lokey to the actual and projected EBITDA and earnings of UnitedHealth Group produced an indication of enterprise value for UnitedHealth Group of $30.5 billion to $33.8 billion.

Houlihan Lokey concluded that such analysis was supportive of its opinion as to the fairness of the consideration to be received by the MAMSI stockholders in the merger.

Valuation Conclusion

Based on the Market Multiple Method, Houlihan Lokey concluded an enterprise value of $31.0 billion to $34.0 billion for UnitedHealth Group. Adding back cash of $7.0 billion and subtracting out debt and medical claims payable of $5.8 billion indicates an aggregate equity value of $32.2 billion to $35.2 billion and a value per share of $51.54 to $56.35, based on fully-diluted shares of 624.2 million, compared to UnitedHealth Group s closing share price of $54.25 as of October 24, 2003.

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Houlihan Lokey concluded that such analysis was supportive of its opinion as to the fairness of the consideration to be received by the MAMSI stockholders in the merger.

($ in million, except per share amounts)	**Low**	**High**
Market Multiple Methodology	$ 30,500	$ 33,800
Enterprise Value	**$ 31,000**	**$ 34,000**
Add: Cash	$ 6,954	$ 6,954
Less:		
Debt and Medical Claims Payable	$ 5,781	$ 5,781
Equity Value	**$ 32,173**	**$ 35,173**
Total Shares	624.2	624.2
Share Price in Dollars	**$ 51.54**	**$ 56.35**
Closing Share Price as of October 24, 2003	$54.25	

Miscellaneous

Pursuant to the terms of its engagement with Houlihan Lokey, MAMSI has agreed to pay Houlihan Lokey for its services in connection with its opinion an aggregate fee of $750,000,which is not contingent on completion of the merger. MAMSI has also agreed to reimburse Houlihan Lokey for reasonable out-of-pocket expenses incurred by it in performing its services, including reasonable fees and expenses for legal counsel, and to indemnify Houlihan Lokey and certain related persons and entities against certain liabilities, including liabilities under the federal securities laws, arising out of Houlihan Lokey s engagement.

MAMSI selected Houlihan Lokey to perform an independent fairness evaluation in connection with the merger because Houlihan Lokey is an internationally recognized investment banking firm with substantial experience in similar transactions and is familiar with MAMSI and its business. Houlihan Lokey is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive bids and private placements.

Other Financial Advisory Services

MAMSI has agreed to pay Merrill Lynch & Co. a fee for financial advisory services, based on the value, at closing, of the consideration paid by UnitedHealth Group. Based on the value of such consideration, on October 26, 2003, such fee would aggregate approximately $11 million, which is payable upon the completion of the merger. In addition, MAMSI has agreed to reimburse Merrill Lynch & Co. for reasonable out-of-pocket expenses incurred in connection with financial advisor services and to indemnify Merrill Lynch & Co. for certain liabilities that may arise out of its engagement by MAMSI.

Completion and Effectiveness of the Merger

The merger will be completed when all of the conditions to completion of the merger are satisfied or waived, including adoption of the merger agreement by the stockholders of MAMSI. The merger will become effective upon the filing of a certificate of merger with the State of Delaware.

UnitedHealth Group and MAMSI are working to complete the merger as quickly as possible, and we hope to do so as promptly as practicable after the special meeting, likely in the first quarter of 2004. However, because the merger is subject to closing conditions and the approval of certain regulatory agencies such as the Maryland Insurance Administration Departments of Insurance of each of North Carolina and Pennsylvania, UnitedHealth Group and MAMSI cannot predict the exact timing of its closing.

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As promptly as practicable after the merger is completed, The Bank of New York, the exchange agent for the merger, will mail to you a letter of transmittal and instructions for surrendering your MAMSI stock certificates in exchange for UnitedHealth Group common stock and cash. When you deliver your MAMSI stock certificates to the exchange agent along with a properly executed letter of transmittal and any other required documents, your MAMSI stock certificates will be cancelled and you will receive a certificate representing that number of whole shares of UnitedHealth Group stock that you are entitled to receive pursuant to the merger agreement and a check for the cash that you are entitled to receive pursuant to the merger agreement.

You should not submit your stock certificates for exchange until you have received the letter of transmittal and instructions referred to above.

You will be entitled to receive dividends or other distributions on UnitedHealth Group common stock with a record date after the merger is completed, but only after you have surrendered your MAMSI stock certificates. If there is any dividend or other distribution on UnitedHealth Group common stock with a record date after the merger, you will receive the dividend or distribution promptly after the later of the date that your UnitedHealth Group shares are issued to you or the date the dividend or other distribution is paid to all UnitedHealth Group shareholders.

UnitedHealth Group will issue a UnitedHealth Group stock certificate or check in a name other than the name in which a surrendered MAMSI stock certificate is registered only if you present the exchange agent with all documents required to show and effect the unrecorded transfer of ownership and show that you paid any applicable stock transfer taxes.

Operations Following the Merger

Following the merger, the business of MAMSI will be continued by a wholly owned subsidiary of UnitedHealth Group. Upon completion of the merger, the managers and officers of MU Acquisition LLC will operate the business formerly conducted by MAMSI. The stockholders of MAMSI will become shareholders of UnitedHealth Group and their rights as shareholders will be governed by the UnitedHealth Group second restated articles of incorporation, the UnitedHealth Group second amended and restated bylaws and the laws of the State of Minnesota. See Comparison of Rights of Shareholders of UnitedHealth Group and MAMSI for a discussion of some of the differences in the rights of shareholders of UnitedHealth Group and the stockholders of MAMSI.

Interests of Certain Persons in the Merger

MAMSI s directors and executive officers have interests in the merger as individuals in addition to, and that may be different from, their interests as stockholders. Each of the MAMSI board of directors and UnitedHealth Group board of directors was aware of these interests of MAMSI s directors and executive officers and considered them in its decision to approve and adopt the merger agreement.

Employment Agreements between MAMSI Executive Officers and UnitedHealth Group

Certain of MAMSI s executive officers and senior management personnel have executed employment agreements with UnitedHealth Group that will take effect upon the completion of the merger. At such time, all prior employment agreements between MAMSI and such executives will terminate, subject to UnitedHealth Group s assumption of MAMSI s obligations under such employment arrangements payable as a result of the merger, as described below under Change in Control Benefits. Certain terms of the employment agreements are summarized below.

Mark D. Groban, M.D. Dr. Groban s employment agreement with UnitedHealth Group is for an initial term of two years and will renew automatically for succeeding one-year terms unless Dr. Groban or UnitedHealth Group provide notice of an intention not to renew. Dr. Groban will hold the executive level position of Chairman

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of the Board of Managers of the surviving entity, an equivalent position to the one he currently holds with MAMSI, for one year and will thereafter retain the title of Chairman Emeritus and serve as a consultant to UnitedHealth Group. Pursuant to the terms of the employment agreement, Dr. Groban s annual base salary will be $450,000, subject to adjustment after the first year of employment. As additional consideration for entering into the employment agreement, Dr. Groban will receive a nonqualified stock option to purchase 100,000 shares of UnitedHealth Group common stock with an exercise price equal to the fair market value of UnitedHealth Group common stock on the date of grant. The shares subject to the option are scheduled to vest and become exercisable based on the continued employment of Dr. Groban at a rate of 25% per year commencing on the first anniversary of the grant date. Pursuant to the terms of the employment agreement, Dr. Groban will be eligible to participate in UnitedHealth Group s incentive compensation plans (with a target bonus percentage of 80% of his base salary, subject to adjustment after the first year of employment), to receive additional stock option awards, to participate in UnitedHealth Group s employee benefit plans, and to receive, upon the first anniversary of the effective date of the employment agreement, a post-merger integration bonus of up to $650,000, each subject to the discretion of UnitedHealth Group.

Severance benefits equal to $^{1}/26$ of the sum of Dr. Groban s annualized base salary (less withholding taxes and deductions) plus his target incentive compensation (excluding for such purposes any supplemental merger bonus paid) are payable in bi-weekly installments in the event of the termination of the employment agreement (i) by mutual agreement of the parties, (ii) without cause by UnitedHealth Group, (iii) because of the death or disability of Dr. Groban, or (iv) by Dr. Groban due to a change in employment, as such term is defined in the employment agreement. Severance benefits will commence on the date of termination and continue for the remaining portion of the initial two-year term of the employment agreement.

During the term of his employment with UnitedHealth Group, in any period in which he receives severance benefits, and for twelve months after a termination of the employment agreement by Dr. Groban or by UnitedHealth Group for cause, Dr. Groban will be subject to a restrictive covenant that prohibits him from engaging in certain activities that are in conflict with his duties under the employment agreement, such as conducting business with the customers of UnitedHealth Group, recruiting or hiring the employees of UnitedHealth Group, or rendering services to a competitor of UnitedHealth Group.

Thomas P. Barbera. Mr. Barbera s employment agreement with UnitedHealth Group is for an initial term of two years and will renew automatically for succeeding one-year terms unless Mr. Barbera or UnitedHealth Group provide notice of an intention not to renew. Mr. Barbera will hold the position of President and Chief Executive Officer of the surviving entity, the same position that he currently holds with MAMSI. Pursuant to the terms of the employment agreement, Mr. Barbera s annual base salary will be $350,000. As additional consideration for entering into the employment agreement, Mr. Barbera will receive a nonqualified stock option to purchase 50,000 shares of UnitedHealth Group common stock with an exercise price equal to the fair market value of UnitedHealth Group common stock on the date of grant. The shares subject to the option are scheduled to vest and become exercisable based on the continued employment of Mr. Barbera at a rate of 25% per year commencing on the first anniversary of the grant date. Pursuant to the terms of the employment agreement, Mr. Barbera will be eligible to participate in UnitedHealth Group s incentive compensation plans (with a target bonus percentage of 75% of his base salary), to receive additional stock option awards, to participate in UnitedHealth Group s employee benefit plans, and to receive, upon the first and second anniversaries of the effective date of the employment agreement, a post-merger integration bonus of up to $400,000 per year, each subject to the discretion of UnitedHealth Group.

Severance benefits equal to $^{1}/26$ of the sum of Mr. Barbera s annualized base salary (less withholding taxes and deductions) plus his target incentive compensation (excluding for such purposes any supplemental merger bonus paid) are payable in bi-weekly installments in the event of the termination of the employment agreement (i) by mutual agreement of the parties, (ii) without cause by UnitedHealth Group, (iii) because of the death or disability of Mr. Barbera, or (iv) by Mr. Barbera due to a change in employment, as such term is defined in the employment agreement. Severance benefits will commence on the date of the termination and continue for a period of time equal to the remaining agreement term as of the time of the termination, plus twelve months.

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During the term of his employment with UnitedHealth Group, in any period in which he receives severance benefits, and for twelve months after a termination of the employment agreement by Mr. Barbera or by UnitedHealth Group for cause, Mr. Barbera will be subject to a restrictive covenant that prohibits him from engaging in certain activities that are in conflict with his duties under the employment agreement, such as conducting business with the customers of UnitedHealth Group, recruiting or hiring the employees of UnitedHealth Group, or rendering services to a competitor of UnitedHealth Group.

Robert E. Foss. Mr. Foss s employment agreement with UnitedHealth Group is for an initial term of two years and will renew automatically for succeeding one-year terms unless Mr. Foss or UnitedHealth Group provide notice of an intention not to renew. Mr. Foss will hold the executive level position of Senior Executive Vice President and Chief Financial Officer of the surviving entity, the same position that he currently holds with MAMSI. Pursuant to the terms of the employment agreement, Mr. Foss s annual base salary will be $350,000. As additional consideration for entering into the employment agreement, Mr. Foss will receive a nonqualified stock option to purchase 50,000 shares of UnitedHealth Group common stock with an exercise price equal to the fair market value of UnitedHealth Group common stock on the date of grant. The shares subject to the option are scheduled to vest and become exercisable based on the continued employment of Mr. Foss at a rate of 25% per year commencing on the first anniversary of the grant date. Pursuant to the terms of the employment agreement, Mr. Foss will be eligible to participate in UnitedHealth Group s incentive compensation plans (with a target bonus percentage of 75% of his base salary), to receive additional stock option awards, to participate in UnitedHealth Group s employee benefit plans, and to receive, upon the first and second anniversaries of the effective date of the employment agreement, a post-merger integration bonus of up to $400,000 per year, each subject to the discretion of UnitedHealth Group.

Severance benefits equal to $^{1}/26$ of the sum of Mr. Foss s annualized base salary (less withholding taxes and deductions) plus his target incentive compensation (excluding for such purposes any supplemental merger bonus paid) are payable in bi-weekly installments in the event of the termination of the employment agreement (i) by mutual agreement of the parties, (ii) without cause by UnitedHealth Group, (iii) because of the death or disability of Mr. Foss, or (iv) by Mr. Foss due to a change in employment, as such term is defined in the employment agreement. Severance benefits will commence on the date of the termination and continue for a period of time equal to the remaining agreement term as of the time of the termination, plus twelve months.

During the term of his employment with UnitedHealth Group, in any period in which he receives severance benefits, and for twelve months after a termination of the employment agreement by Mr. Foss or by UnitedHealth Group for cause, Mr. Foss will be subject to a restrictive covenant that prohibits him from engaging in certain activities that are in conflict with his duties under the employment agreement, such as conducting business with the customers of UnitedHealth Group, recruiting or hiring the employees of UnitedHealth Group, or rendering services to a competitor of UnitedHealth Group.

Sharon C. Pavlos. Ms. Pavlos s employment agreement with UnitedHealth Group is for an initial term of two years and will renew automatically for succeeding one-year terms unless Ms. Pavlos or UnitedHealth Group provide notice of an intention not to renew. Ms. Pavlos will hold the executive level position of Associate Senior Executive Vice President and General Counsel of the surviving entity, the same position that she currently holds with MAMSI. Pursuant to the terms of the employment agreement, Ms. Pavlos s annual base salary will be $300,000. As additional consideration for entering into the employment agreement, Ms. Pavlos will receive a nonqualified stock option to purchase 50,000 shares of UnitedHealth Group common stock with an exercise price equal to the fair market value of UnitedHealth Group common stock on the date of grant. The shares subject to the option are scheduled to vest and become exercisable based on the continued employment of Ms. Pavlos at a rate of 25% per year commencing on the first anniversary of the grant date. Pursuant to the terms of the employment agreement, Ms. Pavlos will be eligible to participate in UnitedHealth Group s incentive compensation plans (with a target bonus percentage of 75% of her base salary), to receive additional stock option awards, to participate in UnitedHealth Group s employee benefit plans, and to receive, upon the first and second anniversaries of the effective date of the employment agreement, a post-merger integration bonus of up to $300,000 per year, each subject to the discretion of UnitedHealth Group.

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Severance benefits equal to $^{1}/26$ of the sum of Ms. Pavlos s annualized base salary (less withholding taxes and deductions) plus her target incentive compensation (excluding for such purposes any supplemental merger bonus paid) are payable in bi-weekly installments in the event of the termination of the employment agreement (i) by mutual agreement of the parties, (ii) without cause by UnitedHealth Group, (iii) because of the death or disability of Ms. Pavlos, or (iv) by Ms. Pavlos due to a change in employment, as such term is defined in the employment agreement. Severance benefits will commence on the date of the termination and continue for a period of time equal to the remaining agreement term as of the time of the termination, plus twelve months.

During the term of her employment with UnitedHealth Group, in any period in which she receives severance benefits, and for twelve months after a termination of the employment agreement by Ms. Pavlos or by UnitedHealth Group for cause, Ms. Pavlos will be subject to a restrictive covenant that prohibits her from engaging in certain activities that are in conflict with her duties under the employment agreement, such as conducting business with the customers of UnitedHealth Group, recruiting or hiring the employees of UnitedHealth Group, or rendering services to a competitor of UnitedHealth Group.

Other Employment Agreements and Employees

The merger agreement provides that MAMSI will use its best efforts to procure the agreement of approximately 35 additional employees, of whom five are executive officers of MAMSI, to enter into employment agreements with UnitedHealth Group to be effective upon the completion of the merger. The 35 employees consisted of the operational and functional leaders of MAMSI. In general, the employment agreements will provide for, among other things, base salary, incentive compensation, stock option awards, employee benefits and severance benefits and will subject such employees to a restrictive covenant. As of December 9, 2003, 30 employees had entered into employment agreements with UnitedHealth Group. With regards to all MAMSI employees, pursuant to the merger agreement UnitedHealth Group has agreed to honor bonus payments for MAMSI s 2003 fiscal year and to provide benefits to such employees that are comparable in the aggregate to those provided to similarly situated employees of UnitedHealth Group and to recognize such employees service with MAMSI for purposes of the employee benefit plans of UnitedHealth Group.

Change in Control Benefits

MAMSI has entered into employment agreements with Dr. Groban, Mr. Barbera, Mr. Foss and Ms. Pavlos, each referred to as an executive, effective as of January 1, 2001, with a term expiring on December 31, 2003. In October 2003, new agreements were entered into, effective January 1, 2004. Such agreements provide for certain benefits to the executives upon a change in control of MAMSI, regardless of whether the executive remains employed after the change in control. The merger will be regarded as a change in control under the MAMSI employment agreements, and UnitedHealth Group has agreed to assume MAMSI s obligation to provide such benefits upon the completion of the merger.

Pursuant to the MAMSI employment agreements, upon completion of the merger, each executive is entitled to a single lump sum cash payment of an amount equal to two times the sum of (i) the executive s current base salary, and in the case of Dr. Groban, his Chairman s fee; (ii) the maximum performance bonus that the executive could have earned for the year in which the change in control occurs (50% of the executive s then-current base salary) had he or she been employed until the end of the year regardless of whether he or she receives a performance bonus that year; and (iii) the maximum annual senior management bonus the executive could have earned had he or she been employed until the end of the year regardless of whether he or she receives a senior management bonus that year. In addition, each executive will receive the increased value of the executive s fully vested retirement benefit (such increase primarily due to an additional tenure credit of 24 months due to the change in control) and tax gross up thereon in cash, if applicable. This payment to executives is referred to as a CIC Payment. Each executive is also entitled to receive an amount necessary to compensate him or her for any excise taxes imposed for the CIC Payment under Section 4999 of the Internal Revenue Code and any income or other payroll taxes imposed as a result of the gross up payment.

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The MAMSI employment agreements also provide that, at or prior to the completion of the merger, MAMSI will, at the election of the executive, either purchase for the executive an annuity based on the executive s fully vested retirement benefit and tax gross up thereon or pay the executive the equivalent amount in cash. Each of the executives has elected to receive the equivalent cash payment. This payment to executives is referred to as a change in control supplemental executive retirement plan payment (a CIC SERP Payment).

The following table sets forth an estimate of the value of the change in control benefits to which the executives are entitled upon completion of the merger, assuming a closing date of February 1, 2004, exclusive of any additional payments to indemnify the executives for excise taxes that may be due under Section 4999 of the Internal Revenue Code.

	Groban	Barbera	Foss	Pavlos
CIC Payment	$ 3,933,786	$ 3,733,786	$ 2,794,544	$ 1,719,506
CIC SERP Payment[1]	$ 4,852,353	$ 4,104,301	$ 2,980,677	$ 847,354
Total	$ 8,786,139	$ 7,838,087	$ 5,775,221	$ 2,566,860

1 Reflects the lump sum present value of the CIC SERP Payment, and related income tax gross up payments payable upon the completion of the merger and does not reflect bonus amounts to be paid on the anniversaries of the completion of the merger.

Stock Options

In addition, in connection with the merger, all MAMSI stock options granted to each executive will immediately vest and become exercisable in accordance with MAMSI s stock option plans. During the thirty (30) day period prior to the completion of the merger, each holder of outstanding MAMSI stock options (whether or not then vested or exercisable by its terms) will have the opportunity to exercise his or her options upon payment of the exercise price in accordance with the terms of the applicable MAMSI stock option plan, or, at the option of MAMSI, on a net cashless exercise basis upon delivery to MAMSI of an exercise agreement in a form mutually acceptable to UnitedHealth Group and MAMSI. Except for vested options being exercised in accordance with the terms of the applicable MAMSI stock option plan, such option exercises shall be deemed effective as of, and conditioned upon, the completion of the merger. All outstanding MAMSI stock options which are not exercised prior to the completion of the merger will be cancelled upon the completion of the merger and no consideration will be paid for such options.

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The following table summarizes the estimated amounts that would become payable to each of MAMSI s executive officers and directors in connection with the exercise of vested stock options and accelerated stock options resulting from the merger. For purposes of the following table, the dollar values have been calculated using the fair market value of UnitedHealth Group common stock as of , 2003, the most recent practicable date prior to the mailing of this proxy statement/prospectus, as well as the equivalent stock price plus cash of shares of MAMSI common stock on such date.

	Vested Stock Options (# of shares)	Value of Vested Stock Options	Accelerated Stock Options (# of shares)	Value of Accelerated Stock Options
Executive Officers				
Thomas P. Barbera*	870,750	$		$
Robert E. Foss*	640,000	$		$
Mark D. Groban, M.D.*	827,750			