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## UnitedHealth Group, Inc., Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions). We ask that you limit your question to one per person. We will pause for a moment, compile the Q&A roster.

Your first question comes from the line of Charles Boorady of Citi.

#### Charles Boorady - Citi

Thanks, good morning. My first question on the 200 million in prior period reserve developments, which was comparable at last year. Can you bifurcate commercial versus Medicare on that?

#### Stephen Hemsley

Mike?

#### Mike Mikan

Hey, Charles, this is Mike. I don't want to get into exact numbers. What I can tell you is, we saw much greater development in mix in the commercial side versus last year, where we saw a greater mix in the government side. So year-over-year, we are seeing a greater mix on commercial.

#### Charles Boorady - Citi

In terms of the uncertainty around health reform, which I think you addressed well. I am just wondering how that's impacting your capital deployment decisions and specifically do you think it's prudent to see, how federal law may change before repurchasing your own stock or making a further acquisitions?

#### Mike Mikan

Charles, I think that as we said through our prepared comments and that's kind of we have behaved through our business, we think there is a significant need in the government marketplace and significantly opportunity. We expected there will be changes overtime, but broad market demands of that whole sector are compelling and growing meaningfully.

We have put capital there in the past, we would expect that we would continue to and we will obviously be alert to the timing of what we might anticipate government action to be, but it really doesn't change. There is nothing here that has really changed the outlook on the business.

**Charles Boorady - Citi**

So it's just not the word, would you say then should we infer from that that you believe valuations including your own stock valuations is reflecting something significantly worse than what we should expect of the outcome of federal reform to be?

**Stephen Hemsley**

Well, I made that comment on our own stock valuation, do I believe this is an enterprise that has the capacity that we have and the cash generating capacities that we possess has the greater value potential, we clearly do. In terms of the government's role in its programs in healthcare sector. I think largely as I said before we think that will play out to be opportunistic and we are approaching our business that way and we are looking at our capital management in that passion as well.

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