REPORT ON EXAMINATION

OF

UNITEDHEALTHCARE OF NEW YORK, INC.

AS OF DECEMBER 31, 2023

EXAMINERS:	**APRIL SPEVAK, CFE** **MANAAL AL MAMUN, AFE, MCM**
DATE OF REPORT:	**May 1, 2025**

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May 1, 2025

Honorable Adrienne A. Harris
Superintendent of Financial Services
Albany, New York 12257

Madam:

Pursuant to the requirements of the New York Insurance Law and acting in accordance with the instructions contained in Appointment Number 32682, dated June 17, 2024, attached hereto, we have conducted an examination into the condition and affairs of UnitedHealthcare of New York, Inc., a for-profit health maintenance organization ("HMO") licensed pursuant to Article 44 of the New York Insurance Law, as of December 31, 2023, and submit the following report thereon.

The examination was conducted remotely.

Wherever the designations the "Plan" or "UHCNY" appear herein, without qualification, they should be understood to indicate UnitedHealthcare of New York, Inc.

Wherever the designation "AmeriChoice" appears herein, without qualification, it should be understood to indicate AmeriChoice Corporation, the immediate parent of UHCNY.

Wherever the designation “UHG” appears herein, without qualification, it should be understood to indicate UnitedHealth Group Incorporated, a for-profit holding company and the Plan’s ultimate parent.

Wherever the designation the “Department” appears herein, without qualification, it should be understood to indicate the New York State Department of Financial Services.

A concurrent examination was made of UnitedHealthcare Insurance Company of New York (“UHICNY”), a for-profit stock company, licensed pursuant to the provisions of Article 42 of the New York Insurance Law. A separate report has been submitted thereon.

1. SCOPE OF THE EXAMINATION

We have performed our multistate examination of UnitedHealthcare of New York, Inc. The previous examination was conducted as of December 31, 2018. This examination was a financial examination, as defined in the National Association of Insurance Commissioners (“NAIC”) *Financial Condition Examiners Handbook, 2024 Edition* (the “Handbook”) and covered the five-year period January 1, 2019 through December 31, 2023. The examination was conducted observing the guidelines and procedures in the Handbook. Where deemed appropriate by the examiner, transactions occurring subsequent to December 31, 2023, were also reviewed.

The examiner planned and performed the examination to evaluate the Plan’s current financial condition, as well as identify prospective risks that may threaten the future solvency of UHCNY.

The examiner identified key processes, assessed the risks within those processes and assessed the internal control systems and procedures used to mitigate those risks. The examination also included an assessment of the principles used and significant estimates made by management, an evaluation of the overall financial statement presentation, and determined management’s compliance with the Department’s statutes and guidelines, Statutory Accounting Principles, as adopted by the Department, and NAIC annual statement instructions.

Information concerning the Plan’s organizational structure, business approach and control environment was utilized to develop the examination approach. The examination evaluated the Plan’s risks and management activities in accordance with the NAIC’s nine branded risk categories.

These categories are as follows:

- Pricing/ Underwriting
- Reserving
- Operational
- Strategic
- Credit
- Market
- Liquidity
- Legal
- Reputational

The examination also evaluated the Plan's critical risk categories in accordance with the NAIC's ten critical risk categories. These categories are as follows:

- Valuation/ Impairment of Complex or Subjectively Valued Invested Assets
- Liquidity Considerations
- Appropriateness of Investment Portfolio and Strategy
- Appropriateness/ Adequacy of Reinsurance Program
- Reinsurance Reporting and Collectability
- Underwriting and Pricing Strategy/Quality
- Reserve Data
- Reserve Adequacy
- Related Party/ Holding Company Considerations
- Capital Management

The Plan was audited annually for the years 2019 through 2023 by the accounting firm of Deloitte & Touche, LLP ("D&T"). The Plan received an unmodified opinion in each of those years. Certain audit work papers of D&T were reviewed and relied upon in conjunction with this examination. A review was also made of UHG's internal audit function and Enterprise Risk Management ("ERM") program, as they relate to the Plan.

During this examination, an Information Systems review was made of the Plan's computer systems and operations on a risk focused basis, in accordance with the provisions of the Handbook.

This examination was conducted as a coordinated examination, as such term is defined in the Handbook, of the insurance subsidiaries of UHG. The examination was led by the State of Nebraska as the facilitating state with participation from seven additional states. Since the Lead and Participating states, as such terms are defined in the Handbook, are accredited by the NAIC, the states deemed it appropriate to rely on each other's work. The examination team representing the Lead and Participating states identified and assessed the risks for key functional activities across all UHG's insurance subsidiaries included within the examination scope. The examination team also assessed the relevant prospective risks as they relate to the various insurance entities.

A review was made of the Plan's compliance with the provisions of Insurance Regulation 118 (11 NYCRR 89), "Audited Financial Statements." The Regulation is based on the Model Audit Rule ("MAR"), as established by the NAIC. Furthermore, a review was made of compliance with Insurance Regulation 203 (11 NYCRR 82), "Enterprise Risk Management and Own Risk Solvency Assessment," which establishes the requirement that the ultimate controlling parent of an insurance company develop an Enterprise Risk function to define and mitigate risks within the organization. Insurance Regulation 203 (11 NYCRR 82) does not directly apply to the ultimate controlling parent of an HMO; however, the Regulation applies to UHG by virtue of UHG's capacity as ultimate controlling parent of UHCNY. The examiners also reviewed the corrective actions taken by the Plan with respect to the financial comments and recommendations contained in the prior report on examination. The results of the examiner's review are contained in Item 6 of this report.

This report on examination is confined to financial statements and comments on those matters which involve departures from laws, regulations, or rules, or which require explanation or description.

2. DESCRIPTION OF THE PLAN

UHCNY is a for-profit HMO licensed pursuant to Article 44 of the New York Public Health Law. UHCNY was originally incorporated on July 10, 1986, as MetLife HealthCare Network of New York, Inc., a HMO licensed in the State of New York. The Plan was an indirect wholly owned subsidiary of Metropolitan Life Insurance Company and commenced business on January 1, 1987. The Plan was granted a certificate of authority under the provisions of Article 44 of the New York Public Health Law, effective July 31, 1987, to operate as a for-profit independent practice association ("IPA") model HMO. On January 2, 1997, the Plan changed its name to UnitedHealthcare of New York, Inc.

UHCNY and UnitedHealthcare of Upstate New York, Inc. (formerly known as Travelers Health Network, Inc.) merged, effective December 31, 2002. The merged company retained the name UnitedHealthcare of New York, Inc. and was authorized to write commercial business in nineteen counties of New York State and Medicaid in eleven counties of New York State.

In October 2005, UHCNY began a market withdrawal of its commercial business. This withdrawal was completed on October 1, 2006, with the Plan removing this business from its Certificate of Authority.

Further, effective December 31, 2007, the Department approved the merger of AmeriChoice of New York, Inc. ("AC-NY") into UHCNY. The merger was accounted for as a statutory merger in accordance with Statement of Statutory Accounting Principles ("SSAP") No. 68 – *Business Combinations and Goodwill*. As a result of the merger, the separate corporate existence of AC-NY ceased, and UHCNY continued as the surviving corporation. Effective December 31, 2007, AmeriChoice became the sole shareholder of UHCNY.

Under the provisions of Part 98-1.11(f) of the Administrative Rules and Regulations of the New York State Department of Health ("Department of Health"), each HMO initiating operations under the authority of Article 44 of the Public Health Law shall establish a deposit in the form of an escrow account for the protection of enrollees in an amount equal to the greater of (i) five percent of the estimated expenditures for health care services for the following year, or (ii) $100,000. As of December 31, 2022, the Plan reported 2023 expenditures projection for health care services in the amount of $4,625,088,608 and an escrow deposit requirement of $231.3 million. Pursuant to Part 98-1.11(f) of the Administrative Rules and Regulations of the Department of Health, the Plan had established an escrow account with a bank that is qualified pursuant to Part 98-1.11(f), in the amount of $ 254.2 million (fair value) as of March 31, 2023.

During the examination period, the Plan paid extraordinary cash dividends to AmeriChoice, including $235,000,000 in extraordinary cash dividends paid in 2023.

The extraordinary cash dividends were approved by the Department of Health and recorded as a reduction to unassigned surplus in the statutory-basis statements of admitted assets, liabilities, and capital and surplus.

The Plan's authorized control level Risk-Based Capital ("RBC") was $102,215,311 as of December 31, 2023. Its total adjusted capital was $1,358,546,079, yielding an RBC ratio of 1,329.1% as of December 31, 2023.

A. Corporate Governance

Pursuant to the Plan's charter and bylaws, management of the Plan is to be vested in a Board of Directors (the "Board"), subject to the following:

- the number of directors shall be fixed by action of a majority of the shareholders;
- no decrease in the authorized number of directors shall have the effect of shortening the term of any incumbent director;
- at all times, no less than one-third of the directors shall be residents of the State of New York; and
- as required by Part 98-1.11(g)(1) of the Administrative Rules and Regulations of the Department of Health (10 NYCRR 98-1.11), within one year of the corporation receiving its certificate of authority to transact business as an HMO in the State of New York, no less than twenty percent (20%) of the directors of the corporation shall be enrollees of the corporation.

As of December 31, 2023, the members of the Board of Directors and their principal business affiliations were as follows:

Name and Residence	Principal Business Affiliation
Arlee Arkofa* New York	Resident Director and Pastor, Berean Baptist Church
Daniel Ben Benardette Minnesota	President, UnitedHealthcare of New York, Inc.
Tomas David Morales Sr.* New York	President, California State University San Bernadino
Heather Noelle Radliff New York	Chief Operating Officer, UnitedHealth Group Incorporated

Name and Residence	Principal Business Affiliation
Scott Douglas Waulters Ohio	Director, UnitedHealth Group Incorporated

*Enrollee representative – Part 98-1.11(g) of the Administrative Rules and Regulations of the Department of Health (10 NYCRR 98-1.11), requires that a minimum of twenty percent (20%) of the Board of an HMO be comprised of enrollee representatives. The Plan was in compliance with said Regulation, as of December 31, 2023.

Section 1.1 of UHCNY's bylaws states, in part:

> *"…There shall be an annual meeting of the stockholders at such date and time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, for the election of directors and for the transaction of such other business as may come before the meeting..."*

A review of the Plan's minutes of the Board meetings held during the period under examination demonstrated that the meetings were well attended.

The principal officers of the Plan as of December 31, 2023, were as follows:

Name	Title
Daniel Ben Benardette	President
Peter Marshall Gill (i)	Treasurer
Robert John Riehm	Chief Financial Officer
Bryn Searns	Secretary

(i) Effective August 30, 2024, Peter Marshall Gill was removed from his position as Treasurer. On the same date Marilyn Victoria Hirsch was elected Treasurer.

It should be noted that certain members of the Plan's Board and senior management of UHCNY are also members of the Board and senior management of its other affiliated companies.

B. Enterprise Risk Management

UHG is a publicly traded, diversified health company subject to the Sarbanes-Oxley Act of 2002 ("SOX") and is required to be compliant with Insurance Regulation 203 (11 NYCRR 82)- Enterprise Risk Management ("ERM") and Own Risk and Solvency Assessment ("ORSA"). ERM and internal audit are enterprise-wide functions; thus, unless otherwise noted, references to UHG are applicable to the Plan.

UHG has adopted an ERM framework for addressing and mitigating risks, including prospective business risks. Exhibit M of the Handbook (*Understanding the Corporate Governance Structure*) was utilized by the examiners as guidance for assessing corporate governance. Overall, it was determined that the Plan's corporate governance structure is adequate, sets an appropriate "tone at the top," supports a proactive approach to operational risk management, and contributes to an effective system of internal controls. It was found that senior management promotes a corporate culture that acknowledges, understands, and maintains an effective control environment. The Plan's management has an adequate approach to identifying and mitigating risks across the organization, including prospective business risks. The Plan deals proactively with its areas of risk, and its management is knowledgeable about mitigation strategies. Through risk discussions and other measures, the Plan's management discusses significant issues and reacts to changes in the environment with a clear commitment to address risk factors and manages the business accordingly. It was determined that the Plan's overall risk management process takes a proactive approach to identifying, tracking, and dealing with significant current and emerging risk factors.

C. Internal Audit Department

UHG has an established Internal Audit Department ("IAD"), which is independent of management, to serve the UHG Audit Committee ("UHG AC") of the Board. The UHG AC is comprised entirely of external directors.

During the examination period, a portion of UHG's internal audit work was outsourced to, and therefore executed by, Ernst & Young ("E&Y"), an independent accounting firm. E&Y has experience consistent with industry norms, and all E&Y manager-level and above resources maintain applicable industry certifications. The IAD directs and supervises all internal audit work performed by E&Y. The IAD reviews and tests financial and operational controls and processes established by management to ensure compliance with laws, regulations and UHG policies. The scope of the IAD's program is coordinated with UHG's independent certified public accountants to ensure adequate coverage and maximum efficiency.

During this examination, consideration was given to the significance and potential impact of certain IAD findings. To the extent possible, the examiners relied upon the work performed by the IAD, as required by the Handbook.

D. Territory and Plan of Operation

UHCNY was licensed as a for-profit HMO under Article 44 of the New York Public Health Law on July 10, 1986, and began operations on January 1, 1987. The Plan offers its enrollees a variety of managed care programs and products through contractual arrangements with physicians, hospitals, and other health care providers, in which such providers deliver medical care to its enrollees primarily on a capitated or modified fee-for-service basis for Medicaid and Medicare recipients.

On December 31, 2023, UHCNY was authorized to transact business in the following sixty-two (62) counties in the State of New York:

Albany	Dutchess	Madison	Putnam	Sullivan
Allegany	Erie	Monroe	Queens	Tioga
Bronx	Essex	Montgomery	Rensselaer	Tompkins
Broome	Franklin	Nassau	Richmond	Ulster
Cattaraugus	Fulton	New York	Rockland	Warren
Cayuga	Genesee	Niagara	Saratoga	Washington
Chautauqua	Greene	Onieda	Schenectady	Wayne
Chemung	Hamilton	Onondaga	Schoharie	Westchester
Chenango	Herkimer	Ontario	Schuyler	Wyoming
Clinton	Jefferson	Orange	Seneca	Yates
Columbia	Kings	Orleans	St. Lawerence	
Cortland	Lewis	Oswego	Steuben	
Delaware	Livingston	Otsego	Suffolk	

The Plan serves as a plan sponsor, offering Medicare Advantage and Medicare Part D prescription drug insurance coverage under a contract with the Centers for Medicare and Medicaid Services ("CMS"). Under the Medicare Part D program, there are seven separate elements of payment received by the Plan during the year: CMS premium, member premium, CMS low-income premium subsidy, CMS catastrophic reinsurance subsidy, CMS low-income member cost-sharing subsidy, CMS risk share and CMS coverage gap discount program.

The Medicare Advantage product offered by the Plan in the State of New York includes complete individualized care planning and care benefits for aging, disabled, and chronically ill individuals. Medicare Advantage offers these long-term care services in nursing homes, community-based settings, and private homes.

The Plan has a contract with the State of New York Office of Health Insurance Programs to provide health care services to Medicaid, Child Health Plus ("CHP"), Essential Plan ("EP"), Health and Recovery Plans ("HARP"), Medicaid Advantage and UnitedHealthcare Dual Advantage – Medicare & Medicaid (dual eligible Medicare/Medicaid beneficiaries).

The Plan offers HARP, which manages care for adults with significant behavioral health needs. The New York State Department of Health will facilitate the integration of physical health, mental health, and substance use services for individuals requiring specialized approaches, expertise and protocols which are not consistently found within most medical plans.

The Plan participates in the Affordable Care Act ("ACA") individual exchange market in New York. In addition, the Plan participates in the EP. The ACA gives states the option of creating an EP, which is a health benefits coverage program for low-income residents who would otherwise be eligible to purchase coverage through the Health Insurance Marketplace. The EP gives states the ability to provide more affordable coverage for these low-income residents and improve continuity of care for people whose income fluctuates above and below Medicaid and CHP levels. Through this ACA expansion, New York has elected to extend coverage to members within 138%-200% of the Federal Poverty Level and to gain federal matching funds for their current Aliessa/Immigrant population (currently 100% state funded).

Effective December 2012, the Plan began offering a Managed Long-Term Care product for New York non-custodial eligible beneficiaries. Managed Long-Term Care Plans provide long-term care services like home health and nursing home care and ancillary and ambulatory services (including dentistry and medical equipment) and receive Medicaid payments for these services. Members receive services from their primary care physicians and inpatient hospital services using their Medicaid and/or Medicare cards.

Total Revenue during the five-year examination period was as follows:

Year	Total Revenue
2023	$ 5,955,624,364
2022	$ 5,494,399,110
2021	$ 5,328,051,194
2020	$ 4,875,580,925
2019	$ 5,192,525,687

E. Growth of the Plan

As of December 31, 2023, the Plan had 655,879 members. The Plan's members, by line of business, during the examination period were as follows:

Year	Essential Plan	HARP	Medicare	Medicaid	Child Health Plus	HMO	Total
2023	115,232	10,061	191,101	312,189	21,209	6,087	655,879
2022	99,601	11,033	155,499	371,805	22,620	6,677	667,235
2021	90,064	11,118	145,053	395,894	29,648	7,654	680,555
2020	87,368	10,430	140,897	398,061	35,787	7,996	681,803
2019	98,599	9,334	149,382	382,569	45,837	7,941	695,617

The Plan's net admitted assets, capital, and surplus, total revenues, and net income during the period under examination were as follows:

Year	Net Admitted Assets	Capital and Surplus	Total Revenue	Net Income (Loss)
2023	$ 2,617,982,833	$ 1,358,546,079	$ 5,955,624,364	$ 470,732,841
2022	$ 2,118,433,343	$ 1,138,628,207	$ 5,494,399,110	$ 316,055,887
2021	$ 1,771,914,979	$ 834,316,043	$ 5,328,051,194	$ 194,948,813
2020	$ 1,621,859,735	$ 628,055,578	$ 4,875,580,925	$ 58,694,211
2019	$ 1,322,290,468	$ 542,834,851	$ 5,192,525,687	$ (71,259,871)

F. Reinsurance

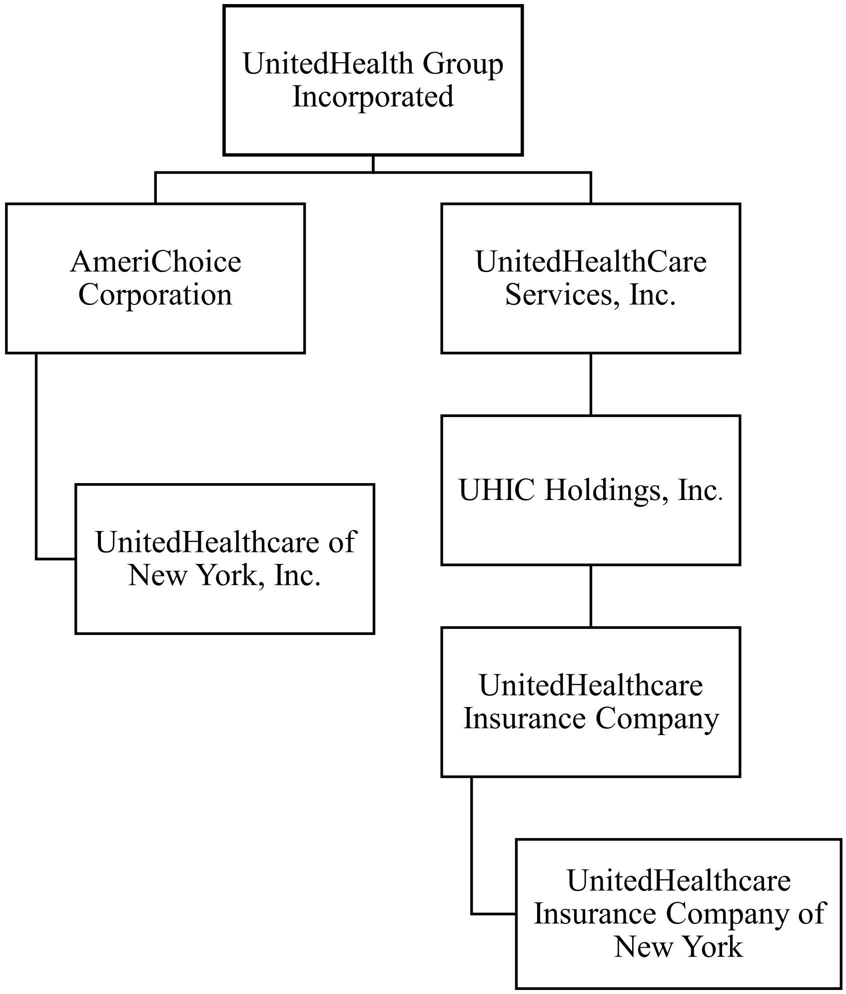
There was no reinsurance assumed or ceded during 2023.

G. Holding Company System

UHCNY is a wholly owned subsidiary of AmeriChoice, and its ultimate parent is UHG, a publicly traded corporation domiciled in the State of Minnesota and incorporated in the State of Delaware.

As a member of a holding company system, UHCNY is required to file registration statements pursuant to the requirements of Part 98-1.16(e) of the Administrative Rules and Regulations of the Department of Health (10 NYCRR 98-1.16) and Insurance Regulation 52 (11 NYCRR 80). All pertinent filings made regarding the aforementioned statutes during the examination period were reviewed, and no exceptions were noted.

The following is an excerpt of the organizational chart of the Plan's holding company system as of December 31, 2023:



The following is a summary of UHCNY's relationship with several of the entities shown above:

- UHG is a healthcare corporation that provides healthcare-related benefits and services to its members and clients across the United States and overseas. UHG has two business platforms: UnitedHealthcare (insurance health benefits) and Optum (non-insurance health services). The two platforms have four reportable segments: UnitedHealthcare (includes UnitedHealthcare Employer & Individual, UnitedHealthcare Medicare & Retirement, and UnitedHealthcare Community & State); OptumHealth; OptumInsight; and OptumRx.

- United HealthCare Services, Inc. ("UHS"), provides or arranges for the provision of management, administrative, and other services deemed necessary or appropriate to provide management and operational support to UHCNY. The services can include, but are not limited to, human resources, legal, facilities, general administration, treasury, and investment functions, claims adjudication and payment, benefit administration, disease management, health care decision support, medical management, credentialing, preventative health services, utilization management reporting and expenses incurred for new business that will be effective in the subsequent year.

H. Intercompany Transactions and Agreements

The Plan is party to numerous intercompany agreements with its affiliates, which are subject to the Department's review and approval. These agreements involve activities such as administrative services, cash management, investment management, tax allocation, revolving credit, and pharmacy benefits management.

A summary of the Plan's key agreements is as follows:

Management and Administrative Services Agreement

Effective January 1, 2014, UHCNY entered into a Management Services Agreement with UHS whereby UHS provides management and operational support to UHCNY. This Management Services Agreement replaced and superseded the Management Agreement and First Amendment effective January 1, 2008. The Management Services Agreement was submitted to the Department on September 25, 2013 and approved on March 27, 2014. The Management Services Agreement was approved by the Department of Health on January 6, 2014.

Effective January 1, 2015, UHCNY entered into the First Amendment to the Management Services Agreement with UHS. The First Amendment reflects modifications in the third-party administrator and other services provisions, Medicare provisions, Medicaid – other state program provisions, the addition of an exchange regulatory appendix provisions and other provisions. The First Amendment was submitted to the Department on November 12, 2014 and approved on December 24, 2014.

Effective November 1, 2017, UHCNY entered into the Second Amendment to Management Services Agreement with UHS. The Second Amendment implemented an updated methodology for calculating management fees, specifically, a current year true-up. The Second Amendment was submitted to the Department on January 17, 2017 and approved on February 15, 2017. Additionally, the Amendment was approved by the Department requesting an effective date of March 1, 2017, the effective date was changed to November 1, 2017, due to the timing of the Department of Health's approval.

Effective January 1, 2019, UHCNY entered into the Third Amendment to Management Services Agreement with UHS. The Second Amendment updated the terms of the agreement to extend it to December 31, 2023. The Third Amendment was submitted to the Department on November 12, 2018 and approved on December 18, 2018. The Third Amendment was approved by the Department of Health on November 20, 2018.

Effective June 1, 2023, UHCNY entered into the Fourth Amendment to Management Services Agreement with UHS. The Fourth Amendment was submitted to the Department on October 30, 2023 and is currently under review. The Amendment was also approved by the Department of Health on August 9, 2023.

Effective January 1, 2025, UHCNY entered into the Fifth Amendment to Management Services Agreement with UHS. The Fifth Amendment was submitted for review and approval to the Department of Health on October 24, 2024 and is currently under review.

Premium Allocation Agreement

Effective June 1, 2001, UHCNY and UHICNY entered into a Premium Allocation Agreement. Pursuant to the agreement, UHICNY sells group medical insurance and out-of-network insurance coverage for point-of-service products marketed in conjunction with HMO contracts offered by its HMO affiliate, UHCNY. Both UHCNY and UHICNY are entitled to receive consideration for insurance coverage marketed and issued in conjunction with products marketed and issued by UHCNY. The Premium Allocation Agreement was approved by the Department on December 17, 2004.

First Amended and Restated Ancillary Health Services Agreement

Effective January 1, 2020, Optum Rx, Inc. (OptumRx) and UHS entered into the First Amended and Restated Ancillary Health Services Agreement. UHCNY was added as a participant by entering a Participating Addendum effective January 1, 2020. The Agreement and Participating Addendum were submitted for review and approval to the Department on November 27, 2019 and were approved on January 14, 2020.

Effective January 1, 2021, Optum Rx and UHS entered into the First Amendment to the First Amended and Restated Ancillary Health Services Agreement. UHCNY was added as a participant by entering a Participating Addendum effective January 1, 2021. The Agreement and Participating Addendum were submitted for review and approval to the Department on November 25, 2020 and were approved on January 25, 2021.

Effective January 1, 2022, Optum Rx and UHS entered into the Second Amendment to the First Amended and Restated Ancillary Health Services Agreement. UHCNY was added as a participant by entering a Participating Addendum effective January 1, 2022. The Agreement and Participating Addendum were submitted for review and approval to the Department on November 8, 2021 and were approved on December 23, 2021.

This Agreement was terminated effective December 31, 2024.

Pharmacy Benefits Management Agreement

Effective January 1, 2013, the Plan entered into a Pharmaceutical Benefits Management ("PBM") Agreement with an affiliated entity, OptumRx. Pursuant to this agreement, OptumRx provides UHCNY with core prescription drug benefit services and mail order pharmacy services. Under the core prescription drug benefit services, OptumRx establishes and maintains a network of pharmacies to service the benefit plans, provide claims processing services, benefits administration and support, marketing and sales support, account management services, rebate administration, clinical services and finance and analytical support services. Under the mail order pharmacy services, OptumRx provides UHCNY with mail order network prescription services. UHCNY remains ultimately responsible for the pharmacy benefit administration services provided to its members. Fees related to the PBM Agreement are calculated on a per-claim basis. The PBM agreement was submitted to the Department on November 29, 2012 and approved on May 29, 2013; it replaced UHCNY's previous agreement with Medco Health Solutions, Inc.

Effective January 1, 2018, the above agreement was replaced with the First Amended and Restated Medicare Prescription Drug Benefit Administration Agreement with the same parties as the previous agreement. The agreement was submitted to the Department on November 30, 2017 and was acknowledged January 2, 2018 and approved on February 12, 2018.

Effective June 1, 2020, OptumRx and UHS entered into the First and Second Amendments to the First Amended Medicare Prescription Drug Benefit Administration Agreement. The First Amendment, Second Amendment, and Participating Addendums were submitted for review and approval to the Department of Health on September 3, 2019 and approved on May 31, 2020. For informational purposes, the Plan provided the Department with a copy of the First Amendment and Approval letter from Department of Health on June 8, 2020.

Effective January 1, 2021, OptumRx and UHS entered into the Third Amendment to the First Amended Medicare Prescription Drug Benefit Administration Agreement. The Third Amendment and Participating Addendums were submitted for review and approval to the Department of Health on October 22, 2020 and approved on December 29, 2020. For informational purposes, the Plan provided the Department with a copy of the Third Amendment and Approval letter from Department of Health on January 5, 2021.

Effective June 1, 2021, the Plan is a participant to the Fourth Amendment to the First Amended Medicare Prescription Drug Benefit Administration Agreement between OptumRx and UHS. The Fourth Amendment and Participating Addendum were submitted for review and approval to the Department of Health on March 23, 2021, and approved on May 5, 2021. On May 5, 2021, the Fourth Amendment was filed with the Department for informational purposes only because it did not meet the threshold for review under the Administrative Rules and Regulations of the Department of Health (10 NYCRR 98.1.11 (1)(5)).

Effective January 1, 2022, the Plan is a participant to the Fifth Amendment to the First Amended Medicare Prescription Drug Benefit Administration Agreement between OptumRx and UHS. The Fifth Amendment and Participating Addendum were submitted for review and approval to the Department of Health on October 15, 2021, and approved on December 15, 2021. On December 16, 2021, the Fifth Amendment was filed with the Department for informational purposes only because it did not meet the threshold for review under the Administrative Rules and Regulations of the Department of Health (10 NYCRR 98.1.11 (1)(5)).

Effective January 1, 2023, the Plan is a participant to the Sixth Amendment to the First Amended Medicare Prescription Drug Benefit Administration Agreement between OptumRx and UHS. The Sixth Amendment and Participating Addendum were submitted for review and approval to the Department of Health on October 18, 2022. Upon approval from the Department of Health, the Sixth Amendment will be filed with the Department for informational purposes only because it did not meet the threshold for review under the Administrative Rules and Regulations of the Department of Health (10 NYCRR 98.1.11 (1)(5)).

Subordinated Revolving Credit Agreement

The Plan held a $100,000,000 subordinated Revolving Credit Agreement with UnitedHealth Group Incorporated at an interest rate of London Interbank Offered Rate ("LIBOR") plus a margin of fifty basis points. This agreement is subordinate to the extent it does not conflict with any credit facility held by either party. This agreement was terminated with an effective date of December 31, 2022, due to the elimination of LIBOR as an interest rate benchmark in 2023. There were no amounts outstanding under the line of credit as of December 31, 2022.

Effective January 1, 2023, the Plan entered into a new subordinated revolving credit agreement with UHS at an interest rate of Fed Funds Target rate – Upper Bound plus fifty basis points. The new subordinated revolving credit agreement is below the holding company threshold of the lesser of 3% of admitted assets or 25% of capital and surplus and did not require regulatory approval. No amounts were outstanding under the line of credit as of December 31, 2023.

Amended and Restated Tax Sharing Agreement

Effective February 1, 2020, the Plan entered into an Amended and Restated Tax Sharing Agreement with UHG. The Agreement is a restatement of the Tax Sharing Agreement effective October 1, 1996. The Agreement establishes a formal method for the allocation and payment of federal, state, and local income tax liabilities related to the consolidated federal tax returns of UHG and its subsidiaries each year. The Amended and Restated Agreement was submitted to the Department on December 17, 2019, and approved on December 27, 2019.

In addition to the agreements described above, the Plan maintains several other agreements with its affiliates.

I. Accounts and Records

Evaluation of Controls in Information Systems

The Plan's Information Systems ("IS") applies to UHG and all its wholly owned subsidiaries. The IS function is managed broadly and includes the operations of UHCNY. UHG is responsible for maintaining the overall technology infrastructure utilized for data processing by the business segments within the Plan.

The IS portion of the examination was performed in accordance with the Handbook, utilizing the Exhibit C (*Evaluation of Controls in Information Technology*) approach. The examiners' review of the IS controls included: IS management and organizational controls; application and operating system software change controls; system and program development controls; overall systems documentation; logical and physical security controls; contingency planning; local and wide area networks; personal computers; and mainframe controls.

The examiners evaluated the IS internal control testing performed by UHG's SOX function, the IAD and its independent auditors, D&T, and performed a review of end user computing and IS outsourcing controls. As a result of the procedures performed, the examiners concluded that information technology general controls and general application controls were functioning as management intended and that an effective system of internal controls is in place and conducive to the accuracy and reliability of financial information processed and maintained by the Plan.

There were no significant deficiencies or material adverse findings as a result of the review.

J. Significant Operating Ratios

The following ratios have been computed as of December 31, 2023, based upon the results of this examination:

Description	Ratio
Net Change in Capital and Surplus	19.3%
Liquid Assets & Receivables to Current Liabilities	194.3%
Premium and Risk Revenue to Capital and Surplus	4.4 to 1
Medical Loss Ratio	81.5%
Combined Loss Ratio	91.5%
Administrative Expense Ratio	10.0%

The above ratios fell within the benchmark ranges set forth in the Financial Analysis Solvency Tools scoring ratios of the NAIC, except for Liquid Assets & Receivables to Current Liabilities ratio which fell below the benchmark of 200%.

The underwriting ratios below are on an earned-incurred basis and encompass the five-year period covered by this examination:

	Amounts	Ratios
Claims	$22,707,108,199	84.6%
Claim adjustment expenses	1,003,869,409	3.7%
General administrative expenses	2,079,207,828	7.8%
Net underwriting gain	1,055,995,844	3.9%
Premiums written	$26,846,181,280	100.0%

3. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, and surplus as of December 31, 2023, as contained in the Plan's December 31, 2023 filed annual statement, a condensed summary of operations and a reconciliation of the surplus account for each of the years under review. The examiners' review of a sample of transactions did not reveal any differences which materially affected the Plan's financial condition as presented in its financial statements contained on December 31, 2023 filed annual statement.

Independent Accountants

The firm D&T was retained by UHCNY to audit the Plan's combined statutory basis statements of financial position as of December 31st of each year in the examination period and the related statutory basis statements of operations, surplus, and cash flows for the year then ended.

D&T concluded that the statutory financial statements presented fairly, in all material respects, the financial position of the Plan at the respective audit dates. Balances reported in these audited financial statements were reconciled to the corresponding years' annual statements with no discrepancies noted.

A. Balance Sheet

Assets

Bonds	$ 1,228,220,887
Cash and short-term investments	676,590,225
Investment income due and accrued	9,846,602
Uncollected premiums and agents' balances in the course of collection	86,295,061
Accrued retrospective contracts and contracts subject to redetermination	196,126,377
Amounts receivable relating to uninsured plans	48,938,623
Net deferred tax asset	19,181,276
Guaranty funds receivable or on deposit	147,880
Receivables from parent, subsidiaries, and affiliates	150,219,218
Health care and other amounts receivable	200,626,790
Aggregate write-ins for other than invested assets	1,789,894
Total assets	$ 2,617,982,833

Liabilities

Claims unpaid	$ 692,739,483
Accrued medical incentive pools and bonus amounts	49,655,889
Unpaid claims adjustment expenses	4,709,596
Aggregate health policy reserves	327,325,503
Aggregate health claim reserves	387,930
Premiums received in advance	41,081,304
General expenses due or accrued	41,842,322
Current federal and foreign income tax payable and interest thereon	1,006,170
Remittance and items not allocated	20,920
Payable for securities	4,535,590
Liability for amounts held under uninsured plans	94,559,892
Aggregate write-ins for other liabilities	1,572,155
Total liabilities	$ 1,259,436,754

Capital and surplus

Common capital stock	$ 140
Preferred capital stock	8,000,000
Gross paid in and contributed surplus	83,708,292
Aggregate write-ins for other than special surplus funds	623,286,212
Unassigned funds (surplus)	643,551,435
Total capital and surplus	$ 1,358,546,079
Total liabilities, capital, and surplus	$ 2,617,982,833

Note 1: The Internal Revenue Service has conducted audits of the income tax returns filed on behalf of the Plan through tax year 2016. Calendar years 2017 through 2020 are under review by the IRS under its Compliance Assurance Program. The examiners are unaware of any potential exposure of the Plan to any tax assessments, and no liability has been established herein relative to such contingency.
Note 2: UHCNY files its tax returns on a consolidated basis with other affiliated companies within the UHG holding company.

B. Statement of Revenue and Expenses and Changes in Capital and Surplus

The Plan's capital and surplus increased by $745,585,765 during the five-year examination period, January 1, 2019, through December 31, 2023, detailed as follows:

Revenue		
Net premium income	$ 27,087,602,717	
Change in unearned premium reserves	(241,421,437)	
Total revenue		26,846,181,280
Hospital and Medical Expenses		
Hospital/medical benefits	18,798,114,249	
Other professional services	513,155,662	
Prescription drugs	2,777,622,382	
Incentive pools, withhold adjustments and bonus amounts	623,840,729	
Subtotal	22,712,733,022	
Less: Net reinsurance recoveries	5,624,823	
Total hospital and medical expenses	22,707,108,199	
Claims adjustment expenses	1,003,869,409	
General administrative expenses	2,079,207,828	
Total underwriting deductions		25,790,185,436
Net underwriting gain		1,055,995,844
Net investment income earned		189,021,679
Net realized capital gains		6,912,774
Net investment gains		195,934,453
Net loss from agents' premium balances charged off		(1,563,239)
Aggregate write-ins for other income or expenses		(708,080)
Net income before federal and foreign income taxes		1,249,658,978
Federal and foreign income taxes incurred		280,487,097
Net income		$ 969,171,881

Changes in Capital and Surplus

Capital and surplus, per report on examination, as of December 31, 2018			$ 612,960,314
	Gains in Surplus	Losses in Surplus	
Net income	$969,171,881		
Change in net deferred income tax	8,376,825		
Change in nonadmitted assets		$ 21,962,941	
Surplus adjustments	25,000,000		
Dividends to stockholders		235,000,000	
Net gain in capital and surplus			745,585,765
Capital and surplus, per report on examination, as of December 31, 2023			$ 1,358,546,079

4. AGGREGATE RESERVES AND CLAIMS UNPAID

The examination liability of $1,020,452,916 for the above captioned account is the same as the amount reported by UHCNY in its filed annual statement as of December 31, 2023.

The examination analysis of the claims unpaid reserve was conducted in accordance with generally accepted actuarial principles and practices and was based on statistical information contained in UHCNY's internal records and in its filed annual statements as verified during the examination. The examination reserve was based upon actual payments made through a point in time, plus an estimate for claims remaining unpaid on that date. Such estimate was calculated based on actuarial principles, which utilized UHCNY's experience in projecting the ultimate cost of claims incurred on or prior to December 31, 2023.

5. SUBSEQUENT EVENTS

As detailed in Section 2, item A in this report, effective August 30, 2024, Peter Marshall Gill was removed from his position as Treasurer. On the same date Marilyn Victoria Hirsch was elected Treasurer.

6. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination as of December 31, 2018, contained no comments and recommendations pertaining to the financial portion of the examination.

7. VIOLATIONS, RECOMMENDATIONS AND COMMENTS

There are no violations, recommendations or comments for this report on examination.

Respectfully submitted,

____
April Spevak, CFE

STATE OF NEW YORK)
)SS.
)
COUNTY OF NEW YORK)

April Spevak, being duly sworn deposes and says that the foregoing report submitted by her is true to the best of her knowledge and belief.

____
April Spevak, CFE

Subscribed and sworn to before me.
this _____ of _____________ 2025.

Respectfully submitted,

____
Manaal Al Mamun, AFE, MCM

STATE OF NEW YORK)
)SS.
)
COUNTY OF NEW YORK)

Manaal Al Mamun, being duly sworn deposes and says that the foregoing report submitted by her is true to the best of her knowledge and belief.

____
Manaal Al Mamun, AFE, MCM

Subscribed and sworn to before me.
this _____ of _____________ 2025.

***APPOINTMENT NO.* 32682**

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

*I, **ADRIENNE A. HARRIS**, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:*

Examination Resources, LLC

as a proper person to examine the affairs of the

UnitedHealthcare of New York, Inc.

and to make a report to me in writing of the said

HMO

with such other information as they shall deem requisite.

In Witness Whereof, I have hereunto subscribed my name
and affixed the official Seal of the Department
at the City of New York

this 17thDay of June, 2024

Adrienne A. Harris
Superintendent of Financial
Services

By: Alice Wang McKenney

Alice Wang McKenney
Deputy Bureau Chief
Health Bureau