UNITEDHEALTH GROUP INC
Form DEF 14A
April 22, 2015

Use these links to rapidly review the document
TABLE OF CONTENTS

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

UnitedHealth Group Incorporated

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

9900 Bren Road East, Minnetonka, Minnesota 55343

April 22, 2015

Dear Shareholder:

We cordially invite you to attend our 2015 Annual Meeting of Shareholders. We will hold our meeting on Monday, June 1, 2015, at 10:00 a.m. Eastern Time at the Seaport Boston Hotel, Constitution Conference Room, 1 Seaport Lane, Boston, Massachusetts 02210.

As a shareholder of UnitedHealth Group, you play an important role in our company by considering and taking action on the matters set forth in the attached proxy statement. We appreciate the time and attention you invest in making thoughtful decisions.

Attached you will find a notice of meeting and proxy statement that contain further information about the items upon which you will be asked to vote and the meeting itself, including:

- How to obtain admission to the meeting if you plan to attend; and

- Different methods you can use to vote your proxy, including by internet, telephone and mail.

Every shareholder vote is important, and we encourage you to vote as promptly as possible. If you cannot attend the meeting in person, you may listen to the meeting via webcast. Instructions on how to access the live webcast are included in the proxy statement.

Sincerely,

Stephen J. Hemsley
Chief Executive Officer

Richard T. Burke
Chair of the Board

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To the Shareholders of UnitedHealth Group Incorporated:

UnitedHealth Group Incorporated (the "Company") will hold its Annual Meeting of Shareholders on Monday, June 1, 2015, at 10:00 a.m. Eastern Time at the Seaport Boston Hotel, Constitution Conference Room, 1 Seaport Lane, Boston, Massachusetts 02210. The purposes of the meeting are:

1. To elect the ten nominees that are set forth in the attached proxy statement to the Company's Board of Directors.
2. To approve the compensation paid to the Company's named executive officers as disclosed in the proxy statement.
3. To approve certain amendments to the UnitedHealth Group Incorporated 2011 Stock Incentive Plan, including an increase in the number of shares authorized for issuance under the plan by 70,000,000.
4. To approve a proposal to reincorporate the Company from Minnesota to Delaware.
5. To ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for the Company for the year ending December 31, 2015.
6. To consider a shareholder proposal set forth in the proxy statement, if properly presented at the Annual Meeting.
7. To transact other business that properly may come before the Annual Meeting or any adjournments or postponements of the meeting.

Only shareholders of record of the Company's common stock at the close of business on April 2, 2015 are entitled to receive notice of, and to vote at, the meeting and any adjournments or postponements of the meeting.

By Order of the Board of Directors,

Dannette L. Smith
Secretary to the Board of Directors

April 22, 2015

Even if you plan to attend the Annual Meeting, we still encourage you to submit your proxy by internet, telephone or mail prior to the meeting. If you later choose to revoke your proxy or change your vote, you may do so by following the procedures described under Question 13 of the "Questions and Answers About the Annual Meeting and Voting" section in the attached proxy statement.

IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 1, 2015:

The Notice of Internet Availability of Proxy Materials, Notice of Annual Meeting of Shareholders, Proxy Statement and Annual Report are available at

www.unitedhealthgroup.com/proxymaterials.

TABLE OF CONTENTS

Table of Contents

Table of Contents

SUMMARY

This summary highlights information contained elsewhere in this proxy statement. We encourage you to review the entire proxy statement. This proxy statement and our Annual Report for the year ended December 31, 2014 are first being mailed to the Company's shareholders and made available on the internet at *www.unitedhealthgroup.com/proxymaterials* on or about April 22, 2015. Website addresses included throughout this proxy statement are for reference only. The information contained on our website is not incorporated by reference into this proxy statement.

UnitedHealth Group

We are a diversified health and well-being company whose mission is to help people live healthier lives and to make the health care system work better for everyone. Despite significant pressures relating to government reductions in Medicare Advantage program funding and the impacts of health care reform implementation, we achieved strong business results in 2014, including:

- Revenues increased 7% to $130.5 billion from $122.5 billion in 2013;
- Operating earnings increased 7% year-over-year to $10.3 billion, and net earnings attributable to UnitedHealth Group common shareholders ("net earnings") remained strong at $5.6 billion and were supported by cash flows from operations of $8.1 billion;
- Earnings per share increased 4% to $5.70 per share from $5.50 per share in 2013;
- Return on equity again exceeded 17% in 2014;
- Total shareholder return, as defined later in this proxy statement, was 36% in 2014 and 106% over the 2012-2014 time period;
- Our annual dividend rate increased to $1.50 per share, paid quarterly, representing a 34% increase over the annual dividend rate of $1.12 per share paid quarterly since the second quarter of 2013;
- We repurchased $4 billion in stock at an average price of $82.57 per share;
- UnitedHealth Group was the top ranking company in the insurance and managed care sector on *Fortune's* 2015 "World's Most Admired Companies" list, based on 2014 results. This is the fifth consecutive year UnitedHealth Group ranked No. 1 overall in its sector and the sixth year in a row the Company has been rated No. 1 in its sector for innovation;
- UnitedHealth Group was recognized as one of America's 50 most community-minded companies for 2014 in *The Civic 50*, and ranked first in the health care industry for the second consecutive year; and
- UnitedHealth Group was listed in the Dow Jones Sustainability World Index and Dow Jones North America Index for the 16th consecutive year.

Corporate Governance

UnitedHealth Group is committed to meeting high standards of ethical behavior, corporate governance and business conduct in everything we do, every day. This commitment has led us to implement the following practices:

Board Structure and Composition Our directors are elected annually by a majority vote of our shareholders. We have an independent Chair of our Board of Directors, and nine of our eleven directors are independent.

Nominating Advisory Committee We have established a Nominating Advisory Committee comprised of long-term shareholders of the Company and a member of the medical community that provides our Nominating and Corporate Governance Committee (the "Nominating Committee") with additional input regarding desirable characteristics of director candidates and the composition of our Board.

Chief Executive Officer ("CEO") Succession Planning Our succession plan, which is reviewed annually by our Board of Directors, addresses both an unexpected loss of our CEO and longer-term succession.

Table of Contents

Stock Ownership Guidelines Each of our executive officers and directors satisfied our stock ownership guidelines as of December 31, 2014. Mr. Hemsley, our CEO, directly owned shares equal to 279 times his base salary as of March 16, 2015.

Stock Retention Policy We generally require executive officers to hold, for at least one year, one-third of the net shares acquired upon vesting or exercise of any equity award. Our directors are required to hold all equity awards granted until completion of service on the Board.

Clawback Policy We have adopted a clawback policy that entitles the Board of Directors to seek reimbursement from our senior executives if they are involved in fraud or misconduct that causes a material restatement or in the event of a senior executive's violation of non-compete, non-solicit or confidentiality provisions.

Independent Compensation Consultant Our Compensation and Human Resources Committee (the "Compensation Committee") uses an independent compensation consultant, which performs no consulting or other services for the Company.

Political Contributions Disclosure We disclose our political contributions and public advocacy efforts and the contributions of our federal and state political action committees on our website and as required by law.

Environmental Policy We seek to minimize our environmental impact and to heighten our employees' awareness of the importance of the environment.

Transactions in Company Securities Our insider trading policy prohibits all directors, executive officers and employees from engaging in short sales and hedging transactions relating to our common stock, and requires advance approval of the Compensation Committee of any pledging of common stock by directors, executive officers and other members of management.

Absence of Rights Plan We do not have a shareholder rights plan, commonly referred to as a "poison pill."

See the "Corporate Governance" portion of this proxy statement for further information on our governance practices.

Enterprise-Wide Risk Oversight

Our Board of Directors, assisted by its committees, oversees management's enterprise-wide risk management activities. Risk management activities include assessing and taking actions necessary to manage risk incurred in connection with the long-term strategic direction and operation of our business.

Executive Compensation

Our executive compensation program uses a mix of base salary, annual and long-term cash incentives, equity awards and standard benefits to attract and retain highly qualified executives and maintain a strong relationship between executive pay and Company performance. Shareholders expressed strong support for our executive compensation program at our 2014 Annual Meeting of Shareholders, reflected by the fact that more than 98% of the votes cast were in favor of our say-on-pay proposal.

Our Overall Compensation Program Principles

Pay-for-performance A substantial portion of the total compensation of our executive officers is earned based on achievement of enterprise-wide goals that drive shareholder value.

Enhance the value of the business Incentive compensation is designed to favor the longer-term value of the Company and avoid excessive risk-taking.

Reward long-term growth and focus management on sustained success and shareholder value creation Compensation of our executive officers is weighted toward equity and long-term cash awards that encourage sustained performance and positive shareholder returns.

Standard benefits and very limited perquisites We provide standard employee benefits and very limited perquisites to our executive officers.

Summary of Compensation Paid to Stephen Hemsley, our CEO, in 2014

Base salary $1.3 million, which is unchanged since 2006.

Cash incentive awards Annual cash incentive award of $3.0 million and long-term cash incentive award of $949,000, which reflect the Company's performance against pre-set goals and continued strong leadership by Mr. Hemsley.

Equity awards Performance shares with a target grant date fair value of $3.75 million, restricted stock units with a grant date fair value of $3.875 million and stock options with a grant date fair value of $1.875 million.

Company matching contributions $104,700 under our 401(k) and executive savings plan.

Mr. Hemsley's total compensation is below the CEO median of the Company's peer group, even though the Board believes his performance has been outstanding. Information regarding compensation paid to each of our named executive officers in 2014 is described in the "Compensation Discussion and Analysis" section.

Strong Governance Standards in Oversight of Executive Compensation Policies

We maintain strong governance standards in the oversight of our executive compensation policies and practices, including:

No ongoing pension obligations for any of our named executive officers.

No excise tax gross-ups and very limited perquisites.

Performance-based compensation arrangements, including performance-based equity awards, that use a variety of performance measures.

Double-trigger change in control arrangements for equity grants.

Our 2011 Stock Incentive Plan prohibits the repricing of stock options and stock appreciation rights without shareholder approval.

Annual advisory shareholder votes to approve the Company's executive compensation.

Proposal 1 Election of Directors (see pages 5-9)

The Board has nominated ten candidates for election to our Board of Directors. **The Board recommends that shareholders vote FOR the election of each nominee.**

Proposal 2 Advisory Approval of the Company's Executive Compensation (see pages 46-47)

The Board is seeking advisory approval of the compensation paid to the Company's named executive officers as disclosed in this proxy statement. In considering this proposal, please read our Compensation Discussion and Analysis, which explains the Compensation Committee's compensation decisions and how our executive compensation program aligns the interests of our executive officers with those of our shareholders. Although the vote is advisory and is not binding on the Board, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation decisions. At the 2014 Annual Meeting, more than 98% of the votes cast on this proposal were in favor of our executive compensation. **The Board recommends that shareholders vote FOR the approval of the Company's executive compensation.**

Proposal 3   Approval of Amendments to the 2011 Stock Incentive Plan (see pages 51-56)

The Board is seeking approval of certain amendments to the UnitedHealth Group Incorporated 2011 Stock Incentive Plan (the "2011 Plan"). The purpose of the 2011 Plan is to aid in attracting and retaining employees, management and members of the Board of Directors. The Company desires to motivate them to put forth maximum efforts for the success of the business. The proposed amendments would:

- Increase the number of shares authorized for issuance under the 2011 Plan by 70,000,000 shares;
- Provide that, with respect to any awards other than stock options and stock appreciation rights granted in the future, the number of shares available for awards will be reduced by 2.50 shares for each share covered by such award or to which such award relates; and
- Delete the 41,332,237 share limit in the 2011 Plan with respect to the number of shares that may be used for awards other than stock options and stock appreciation rights.

More detail regarding the proposed amendments to the 2011 Plan may be found beginning on page 51, and the amended 2011 Plan is set forth in its entirety in Appendix A to this proxy statement. **The Board recommends that shareholders vote FOR approval of the amendments to the 2011 Plan.**

Proposal 4 Reincorporation from Minnesota to Delaware (see pages 57-79)

The Board is seeking approval of a proposal that would permit the Company to reincorporate in Delaware. In considering this proposal, please read the section entitled "Proposal 4 Reincorporation of the Company from Minnesota to Delaware" on pages 60-79, which explains the reasons why the Board believes reincorporating to Delaware is in the best interest of the Company and its shareholders and explains how the reincorporation will affect the Company and its shareholders. In addition, please see the sections entitled "Reincorporation Summary" and "Questions and Answers About the Reincorporation" on pages 57-60. **The Board has approved a plan to reincorporate the Company from Minnesota to Delaware and recommends that shareholders vote FOR the Company's reincorporation.**

Proposal 5 Ratification of Independent Registered Public Accounting Firm (see pages 83-84)

The Audit Committee has appointed Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2015. The Board is seeking shareholder ratification of this appointment. **The Board recommends that shareholders vote FOR ratification of the appointment of Deloitte & Touche LLP.**

Proposal 6 Shareholder Proposal Regarding Independent Board Chair (see pages 84-85)

We have been informed that a shareholder owning no fewer than 50 shares of our common stock intends to introduce a resolution requesting that the Board adopt a policy requiring an independent Board chair. Because Richard Burke, Chair of our Board, is independent, the Board has concluded that the request has already been implemented and that the proposal is unnecessary. In addition, our Principles of Governance provide that the Board would appoint an independent lead director if a future Board Chair were not independent. **The Board recommends that shareholders vote AGAINST the shareholder proposal.**

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

Director Nomination Process

Criteria for Nomination to the Board

The Nominating Committee analyzes, on an annual basis, director skills and attributes, and recommends to the Board of Directors appropriate individuals for nomination as Board members.

The Nominating Committee developed and maintains a skills matrix to assist it in considering the appropriate balance of experience, skills and attributes required of a director and to be represented on the Board as a whole. The skills matrix is based on the Company's strategic plan and is periodically reviewed and updated by the Nominating Committee. The Nominating Committee evaluates Board candidates against the skills matrix when determining whether to recommend candidates for initial election to the Board and when determining whether to recommend currently serving directors for reelection to the Board.

The skills matrix has two sections a list of core criteria that every member of the Board should meet and a list of skills and attributes to be represented collectively on the Board. Following are core director criteria that should be satisfied by each director or nominee:

- Independence under the Company's Standards for Director Independence and New York Stock Exchange ("NYSE") listing requirements, subject to waiver based on the Nominating Committee's business judgment;
- Service on no more than three other public company boards;
- High integrity and ethical standards;
- Standing and reputation in the individual's field;
- Risk oversight ability with respect to the particular skills of the individual director;
- Understanding of and experience with complex public companies or like organizations; and
- Ability to work collegially and collaboratively with other directors and management.

The skills matrix provides further that the Board as a whole should represent a diverse group and have expertise in the following areas:

- Corporate governance;
- Finance;
- Health care industry;
- Consumer marketing;

Brand marketing/public relations;

Legal matters;

Capital markets;

Political/health care policy;

Clinical practice;

Technology/business processes; and

Experience with large complex organizations.

Table of Contents

Our Nominating Committee strives to maintain a balance of tenure on the Board. Long-serving directors bring valuable experience with our Company and familiarity with the successes achieved and challenges it has faced over the years, while newer directors bring fresh perspectives and ideas. Tenure of the independent director nominees is as follows:

Years of Service on the Board of Directors	Number of Independent Director Nominees
1 - 5 years	1
6 - 10 years	4
More than 10 years	3

Each of our director nominees has satisfied all the core director criteria set forth in the skills matrix, except that Dr. Bueno is not an independent director because he is the founder and CEO of Amil and Mr. Hemsley is not an independent director because he is our CEO. The following table sets forth our director nominees' expertise in the substantive areas included in the skills matrix.

	Ballard	Bueno	Burke	Darretta	Hemsley	Hooper	Lawson	Renwick	Shine	Wilensky
Corporate Governance				ü		ü	ü	ü		
Finance	ü		ü	ü	ü	ü	ü	ü		
Health Care Industry	ü	ü	ü	ü	ü	ü		ü	ü	ü
Direct Consumer Marketing				ü			ü	ü		
Brand Marketing/Public Relations		ü					ü	ü		
Legal Matters	ü									
Capital Markets	ü			ü	ü		ü	ü		
Political/Health Care Policy		ü	ü						ü	ü
Clinical Practice		ü							ü	
Technology/Business Processes		ü	ü	ü	ü	ü	ü	ü		
Experience with Large Complex Organizations	ü	ü	ü	ü	ü	ü	ü	ü	ü	ü

Diversity

UnitedHealth Group embraces and encourages a culture of diversity and inclusion. We believe that valuing diversity makes good business sense and helps to ensure our future success. Diversity is included as one of the collective attributes in our director skills matrix. Our Board has not adopted a formal definition of diversity.

Our Board assesses its overall effectiveness through an annual evaluation process. This evaluation includes, among other things, an assessment of the overall composition of the Board, including the diversity of its members.

Although the Board does not establish specific goals with respect to diversity, the Board's overall diversity is a consideration in the director nomination process. For this year's election, the Board has nominated ten individuals; all are incumbent nominees who currently bring tremendous diversity to the Board. Each nominee is a strategic thinker and has varying, specialized experience in the areas that are relevant to the Company and its businesses. Moreover, their collective experience covers a wide range of countries, geographies and industries, including health care, insurance, consumer products, technology and financial services, including roles in academia and government. The ten director nominees range in age from 59 to 80 and two of the ten director nominees are women; one is African-American; and three are citizens of other countries including Brazil, New Zealand and the United Kingdom. The Board views this diversity as a clear strength.

Table of Contents

Nominating Advisory Committee

The Board of Directors formed the Nominating Advisory Committee in 2006 to provide the Nominating Committee with additional input from shareholders and others regarding desirable characteristics of director candidates and the composition of the Board of Directors. The Nominating Committee considers, but is not bound by, input provided by the Nominating Advisory Committee. The Nominating Advisory Committee currently includes four individuals affiliated with long-term shareholders of the Company and one individual who is a member of the medical community. Members of the Nominating Advisory Committee do not receive any compensation from the Company for serving on the Nominating Advisory Committee. The Nominating Advisory Committee met in January 2014. A description of the Nominating Advisory Committee, including a description of how the members of the committee are nominated and selected, can be found on our website at *www.unitedhealthgroup.com*.

Process for Identifying and Evaluating Nominees

In assessing currently serving directors for potential re-nomination, the Nominating Committee reviews the directors' overall performance on the Board of Directors and other relevant factors, including the factors listed above under "Criteria for Nomination to the Board."

In considering potential candidates for election to the Board, the Nominating Committee, with input from the full Board of Directors, assesses the potential candidate's qualifications and how these qualifications fit with the desired composition of the Board of Directors as a whole. The Nominating Committee considers views expressed by members of the Nominating Advisory Committee and other shareholders regarding skill sets that would be valuable for a new director to possess. The Nominating Committee has an outside firm on retainer to assist the Committee in identifying and evaluating director candidates.

Shareholder Nominations and Recommendations for Director Candidates

Shareholders may nominate candidates for election to the Board of Directors by submitting timely written notice to the Secretary to the Board in accordance with the Bylaws. The notice must include the information set forth in the Bylaws about each proposed nominee, including: (i) the name, age, business address, residence address and principal occupation or employment, (ii) the number of shares of the Company's common stock which are beneficially owned, and (iii) other information concerning the nominee as would be required in soliciting proxies for the election of that nominee. The notice must also include the information set forth in the Bylaws about the shareholder making the nomination and any associated person, including information about the direct and indirect ownership of, or derivative positions in, the Company's common stock and arrangements and understandings related to the proposed nomination or the voting of the Company's common stock. The notice must also include a signed consent of each nominee to serve as a director of the Company, if elected. For the 2016 Annual Meeting, this notice must be received at our principal executive offices, directed to the Secretary to the Board of Directors, on or before December 24, 2015. If the Reincorporation is approved, the notice must be received no earlier than February 2, 2016 and no later than March 3, 2016. If we do not receive a notice and the required information regarding the shareholder and any associated person by the specified deadline, the director nomination will be void and disregarded for all purposes.

The Company will also consider recommendations submitted by shareholders for director candidates. Recommendations should be directed to the Secretary to the Board of Directors.

No shareholders nominated or recommended candidates for the Board of Directors in connection with the 2015 Annual Meeting.

2015 Director Nominees

Our Articles of Incorporation and Bylaws provide that each member of our Board of Directors is elected annually by a majority of votes cast if the election is uncontested. The Board of Directors has nominated the ten directors set forth below for election by the shareholders at the 2015 Annual Meeting. All of the nominees were elected by our shareholders at the 2014 Annual Meeting. All of the nominees have informed the Board that they are willing to serve as directors if elected. If any nominee should decline or become unable to serve as a director

Table of Contents

for any reason, the persons named as proxies will elect a replacement. After many years of exceptional service, Mr. Leatherdale is retiring from the Board and will not stand for election at the 2015 Annual Meeting.

The Board of Directors recommends that you vote FOR the election of each of the nominees. Executed proxies will be voted FOR the election of each nominee unless you specify otherwise.

Name	Age	Director Since
William C. Ballard, Jr.	74	1993
Edson Bueno, M.D.	71	2012
Richard T. Burke	71	1977
Robert J. Darretta	68	2007
Stephen J. Hemsley	62	2000
Michele J. Hooper	63	2007
Rodger A. Lawson	68	2011
Glenn M. Renwick	59	2008
Kenneth I. Shine, M.D.	80	2009
Gail R. Wilensky, Ph.D.	71	1993

The director nominees, if elected, will serve until the 2016 Annual Meeting or until their successors are elected and qualified. Following is a brief biographical description of each director nominee. A table listing the areas of expertise in the skills matrix that are held by each director and that, in part, led the Board to conclude that each respective director should continue to serve as a member of the Board is included on page 6.

Mr. Ballard served as Of Counsel to Bingham Greenebaum Doll LLP (formerly Greenebaum Doll & McDonald PLLC), a law firm in Louisville, Kentucky, from June 1992 until July 2008. In 1992, Mr. Ballard retired from Humana, Inc., a company operating managed health care facilities, after serving with Humana in various roles for 22 years, including as the Chief Financial Officer ("CFO") and a director. Mr. Ballard currently serves as a director of Health Care REIT, Inc.

Dr. Bueno is the founder and CEO of Amil Assistência Médica Internacional S.A., formerly Amil Participações S.A. ("Amil"), in which UnitedHealth Group owns a 90% interest. Founded in 1978, Amil is the largest health care organization in Brazil, currently assisting more than six million people. Dr. Bueno holds a medical degree from the Federal University of Rio de Janeiro, with specialization in general surgery. He has attended courses in the Business Administration program at the Pontifical Catholic University of Rio de Janeiro and management programs at Harvard Business School.

Mr. Burke is Chair of the Board of Directors of UnitedHealth Group, has been a member of our Board since 1977, and was CEO of UnitedHealthcare, Inc., our predecessor corporation, until February 1988. From 1995 until February 2001, Mr. Burke was the owner, CEO and Governor of the Phoenix Coyotes, a National Hockey League team. Mr. Burke currently serves as a director of Meritage Homes Corporation.

Mr. Darretta is the retired Vice Chair of the Board of Directors, CFO and member of the Executive Committee of Johnson & Johnson, a health care products company. Mr. Darretta served as CFO and a member of the Executive Committee of Johnson & Johnson from March 1997 to March 2007. Mr. Darretta joined Johnson & Johnson in 1968. Mr. Darretta currently serves as a trustee for certain Putnam mutual funds.

Mr. Hemsley is CEO of UnitedHealth Group and has served in that capacity since November 2006. He has been a member of the Board of Directors since February 2000. Mr. Hemsley joined the Company in 1997 as Senior Executive Vice President and became Chief Operating Officer in 1998. Mr. Hemsley served as President and Chief Operating Officer from 1999 to November 2006 and as President and CEO from November 2006 to November 2014.

8

Table of Contents

Ms. Hooper is President and CEO of The Directors' Council, a private company she co-founded in 2003 that works with corporate boards to increase their independence, effectiveness and diversity. She was President and CEO of Voyager Expanded Learning, a developer and provider of learning programs and teacher training for public schools, from 1999 until 2000. Prior to that, she was President and CEO of Stadtlander Drug Company, Inc., a provider of disease-specific pharmaceutical care, from 1998 until Stadtlander was acquired in 1999. Ms. Hooper is a nationally recognized corporate governance expert. Ms. Hooper currently serves as a director of PPG Industries, Inc. In the past five years, she also served as a director of AstraZeneca plc. and Warner Music Group Corp.

Mr. Lawson served as President of Fidelity, a mutual fund and financial services company, from August 2007 to March 2010. Prior to joining Fidelity, Mr. Lawson was Vice Chairman of Prudential Financial from 2002 to 2007 where he was responsible for the International Operating Division and for Global Marketing Communications. Mr. Lawson served as Executive Vice President of Prudential from 1996 to 2002. Prior to joining Prudential, Mr. Lawson was President and CEO of VanEck Global from June 1994 to June 1996. Mr. Lawson was Managing Director and Partner-in-Charge of Private Global Banking and Mutual Funds at Bankers Trust from January 1992 to April 1994. Mr. Lawson was a Managing Director and CEO at Fidelity Investments Retail from May 1985 to May 1991, and President and CEO at Dreyfus Service Corporation from May 1982 to May 1985. We believe that Mr. Lawson's past experience as an executive at a major institutional investor is of significant value to the Board. Mr. Lawson currently serves as Chair of the Board of Directors of E*TRADE Financial Corporation.

Mr. Renwick is Chair of the Board of Directors, President and CEO of The Progressive Corporation, an auto insurance holding company. Before being named President and CEO in 2001, Mr. Renwick served as CEO-Insurance Operations and Business Technology Process Leader from 1998 through 2000. Prior to that, he led Progressive's Consumer Marketing group and served as President of various divisions within Progressive. Mr. Renwick joined Progressive in 1986 as Auto Product Manager for Florida. Mr. Renwick also currently serves as a director of Fiserv, Inc.

Dr. Shine has been the Special Advisor to the Chancellor for Health Affairs of the University of Texas System (the "UT System"), which consists of nine academic campuses and six health institutions, since September 2013. Dr. Shine served as Executive Vice Chancellor for Health Affairs of the UT System from November 2003 to September 2013 and as the interim Chancellor of the UT System from May 2008 until February 2009. Dr. Shine served as President of the Institute of Medicine at the National Academy of Sciences from 1992 until 2002. From 1993 until 2003, Dr. Shine served as a Clinical Professor of Medicine at the Georgetown University School of Medicine. From 1971 until 1992, Dr. Shine served in several positions at the University of California at Los Angeles School of Medicine, with his final position being Dean and Provost, Medical Sciences, and he continues to hold the position of Professor of Medicine Emeritus. Dr. Shine also served as Chair of the Council of Deans of the Association of American Medical Colleges from 1991 until 1992 and as President of the American Heart Association from 1985 until 1986. He is a nationally recognized cardiologist.

Dr. Wilensky has been a senior fellow at Project HOPE, an international health foundation, since 1993. From 2008 to 2009, Dr. Wilensky was President of the Department of Defense Health Board and chaired its sub-committee on health care delivery. From December 2006 to December 2007, Dr. Wilensky co-chaired the Department of Defense Task Force on the Future of Military Health Care. During 2007 she also served as a commissioner on the President's Commission on Care for America's Returning Wounded Warriors. From May 2001 to May 2003, she was the Co-Chair of the President's Task Force to Improve Health Care for our Nation's Veterans. From 1997 to 2001, she was also Chair of the Medicare Payment Advisory Commission. From 1992 to 1993, Dr. Wilensky served as the Deputy Assistant to President George H. W. Bush for policy development, and from 1990 to 1992, she was the Administrator of the Health Care Financing Administration (now known as the Centers for Medicare and Medicaid Services) directing the Medicaid and Medicare programs for the United States. Dr. Wilensky is a nationally recognized health care economist. Dr. Wilensky currently serves as a director of Quest Diagnostics Incorporated. In the past five years, she has also served as a director of Cephalon, Inc. and SRA International Inc.

Table of Contents

CORPORATE GOVERNANCE

Overview

UnitedHealth Group is committed to high standards of corporate governance and ethical business conduct. Important documents that are reflective of this commitment include our Articles of Incorporation, Bylaws, Principles of Governance, Board of Directors Committee Charters, Standards for Director Independence, Code of Conduct: Our Principles of Ethics & Integrity, Related-Person Transactions Approval Policy, Board of Directors Communication Policy, Political Contributions Policy and Corporate Environmental Policy. You can access these documents at *www.unitedhealthgroup.com* to learn more about our corporate governance practices. We will also provide copies of any of these documents without charge upon written request to the Company's Secretary to the Board of Directors. Our key corporate governance practices are highlighted below.

Board Structure and Shareholder Rights

All members of our Board of Directors are elected annually by our shareholders.

Our Articles of Incorporation provide that, in an uncontested election, each director must be elected by a majority vote. To address a provision in Minnesota law that allows a director who has not been re-elected to remain in office until a successor is elected and qualified, we have a policy requiring any director who does not receive a greater number of votes "for" than "against" his or her election in an uncontested election to tender his or her resignation from the Board of Directors following certification of the shareholder vote.

Our Articles of Incorporation and Bylaws do not have any supermajority shareholder approval provisions.

We have a non-executive, independent Chair of the Board. If a future Chair of the Board is not independent, a Lead Independent Director will be appointed by a majority vote of the independent directors.

Board and Board Committee Composition and Performance

All members of our Audit Committee are "audit committee financial experts" as defined by the Securities and Exchange Commission ("SEC").

A non-management director may not serve on more than three other public company boards of directors.

Our CEO does not serve on any public company boards of directors other than the Company's Board.

Our directors are required to offer their resignations upon a change in their primary careers.

Our Board of Directors and each Board committee regularly conduct executive sessions of non-management directors. Our Chair of the Board presides over each executive session of non-management directors. Committee Chairs preside over executive sessions of their respective committees.

Our Board of Directors and Board committees have the authority to retain independent advisors.

Our Board of Directors and Board committees conduct performance reviews annually.

All directors are required to complete a specified level of director training.

Guidelines and Board Policies

Our Board of Directors developed our CEO succession plan with input from our CEO, and reviews the plan annually. The CEO succession plan has two components: one addressing emergency or unanticipated loss of our CEO and one addressing longer-term succession. Material features of this plan include identification of Board members to lead the succession process, identification and development of internal candidates and identification of external resources necessary to ensure a successful transition.

Table of Contents

We maintain stock ownership and retention guidelines for directors and executive officers. See "Compensation Discussion and Analysis Elements of Our Compensation Program Other Compensation Practices Executive Stock Ownership Guidelines and Stock Retention Policy," "Director Compensation Equity-Based Compensation" and "Director Compensation Stock Ownership Guidelines" for further information.

We have a related-person transactions approval policy regarding the review, approval and ratification by our Audit Committee of all related-person transactions. See "Certain Relationships and Transactions."

We have a clawback policy that entitles the Board of Directors to seek reimbursement from our senior executives if they are involved in fraud or misconduct that causes a material restatement or, in the event of a senior executive's violation of non-compete, non-solicit or confidentiality provisions. See "Compensation Discussion and Analysis Elements of Our Compensation Program Other Compensation Practices Potential Impact on Compensation from Executive Misconduct/Compensation Clawbacks."

We have a political contributions policy that is overseen by our Public Policy Strategies and Responsibility Committee (the "Public Policy Committee"). The Company's political contributions and public advocacy efforts and the contributions of our federal and state political action committees are disclosed on our website.

We have an environmental policy that outlines our focus on minimizing our impact on the environment and creating a Company culture that heightens our employees' awareness of the importance of preserving the environment and conserving energy and natural resources.

Our insider trading policy prohibits all directors, executive officers and employees from engaging in short sales and hedging transactions relating to our common stock, and requires advance approval of the Compensation Committee of any pledging of common stock by directors, executive officers and other members of management.

Our Board of Directors believes that effective Board-shareholder communication strengthens the Board of Directors' role as an active, informed and engaged fiduciary, so we have a communication policy that outlines how shareholders and other interested parties may communicate with the Board of Directors. See "Corporate Governance Communication with the Board of Directors."

A Nominating Advisory Committee comprised of representatives from the shareholder and medical communities provides input into the composition of our Board of Directors.

Independent Auditors

Our shareholders annually ratify the appointment of our independent registered public accounting firm.

The non-audit and non-audit-related fees paid to our independent registered public accounting firm were less than 5% of total fees paid to that firm by the Company in 2014.

Principles of Governance

Our Articles of Incorporation and Bylaws, together with Minnesota law and NYSE and SEC rules, govern the Company. Our Principles of Governance set forth many of the practices, policies and procedures that provide the foundation for our commitment to strong corporate governance. The policies and practices covered in our Principles of Governance include shareholder rights and proxy voting; structure, composition and performance of the Board of Directors; stock ownership and retention requirements; Board of Directors operation; individual director responsibilities; and Board committees. Our Principles of Governance are reviewed at least annually by our Nominating Committee and are revised as necessary.

Code of Conduct: Our Principles of Ethics & Integrity

The Code of Conduct: Our Principles of Ethics & Integrity is posted on our website and covers our principles and policies related to business conduct, conflicts of interest, public disclosure, legal compliance, reporting and accountability, corporate opportunities, confidentiality, fair dealing and protection and proper use of Company

Table of Contents

assets. Any waiver of the Code of Conduct for the Company's executive officers, senior financial officers or directors may be made only by the Board of Directors or a committee of the Board. We will publish any amendments to the Code of Conduct and waivers of the Code of Conduct for an executive officer or director on our website.

Compliance and Ethics

We strongly encourage employees to raise ethics and compliance concerns, including concerns about accounting, internal controls or auditing matters. We offer several channels for employees and third parties to report ethics and compliance concerns or incidents, including by phone or online, and individuals may choose to remain anonymous in jurisdictions where anonymous reporting is permissible. We prohibit retaliatory action against any individual who in good faith raises concerns or questions regarding ethics and compliance matters or reports suspected violations. We train all employees and periodically advise them regarding the means by which they may report possible ethics or compliance issues and their affirmative responsibility to report any possible issues. In our 2014 employee survey, 97% of employees said they knew what to do if they believed unethical behavior or misconduct occurred in their work area.

Director Independence

Our Board of Directors has adopted the Company's Standards for Director Independence, which are available on our website at *www.unitedhealthgroup.com*. The Standards for Director Independence requirements exceed the independence standards set by the NYSE.

Our Board of Directors has determined that William C. Ballard, Jr., Richard T. Burke, Robert J. Darretta, Michele J. Hooper, Rodger A. Lawson, Douglas W. Leatherdale, Glenn M. Renwick, Kenneth I. Shine, M.D. and Gail R. Wilensky, Ph.D. are each "independent" under the NYSE rules and the Company's Standards for Director Independence and have no material relationships with the Company that would prevent the directors from being considered independent. Stephen J. Hemsley, the Company's CEO, and Edson Bueno, M.D., founder and CEO of Amil, are not independent directors.

In determining independence, the Board of Directors considered, among other factors, the business relationships between the Company and our directors and nominees, their immediate family members (as defined by the NYSE) and their affiliated companies. The Board of Directors considered whether any director or any nominee was a director, partner, significant shareholder or executive officer of an organization that has a relationship with the Company, and also considered charitable contributions that the Company or its affiliates made to organizations with which such directors or nominees are or have been associated. In particular, the Board of Directors evaluated the following relationships and determined that such relationships were in the normal course of business and did not impair the directors' ability to exercise independent judgment:

- Mr. Burke is an owner of Rainy Partners, LLC. Rainy Partners is a customer of the Company and paid the Company premiums for health insurance of approximately $159,000 in 2014. These premiums were determined on the same terms and conditions as premiums for other comparable customers.

- Dr. Shine is the Special Advisor to the Executive Vice Chancellor for Health Affairs of the University of Texas System (the "UT System"), which includes six health institutions. The health institutions participate in the Company's broad national network of hospitals and physicians and other care providers. In 2014, we paid the UT System approximately $133 million for medical and related expenses on behalf of consumers who obtain health insurance from us. The UT System paid the Company approximately $702,000 for software products in 2014. The aggregate amount of these transactions represents 1.15% of the 2014 operating revenues of the UT System. In aggregate, our self-funded customers paid approximately $347 million to the UT System for health care services on behalf of their employees and health plan participants. Dr. Shine is neither directly nor indirectly involved in the relationship between the UT System and the Company or the customers of the Company. Dr. Shine has no direct responsibilities for any contractual or other relationships with the Company or its competitors. The UT System has established a process pursuant to which

Table of Contents

Dr. Shine will not have access to any information that is maintained by the UT System that could be used to benefit or provide an advantage to the Company.

Dr. Wilensky is a Senior Fellow of Project HOPE. In 2014, Project HOPE paid the Company approximately $1.1 million for premiums for health insurance and approximately $31,000 for self-funded health plan administrative fees. These premiums and fees were determined on the same terms and conditions as premiums and fees for other comparable customers. Dr. Wilensky is neither directly nor indirectly involved in these relationships.

The Board of Directors also considered relationships between the Company and organizations on which our outside directors or their immediate family members serve only as directors and determined that such relationships did not impair the directors' exercise of independent judgment.

Independent Board Leadership

Our Board of Directors believes that having independent Board leadership is an important component of our governance structure. As such, our Bylaws require the Company to have either an independent Chair of the Board or a Lead Independent Director. The Company believes the current leadership structure delineates the separate roles of managers and directors. Our CEO sets the strategic direction for the Company, working with the Board, and provides day-to-day leadership; our independent Chair of the Board leads the Board in the performance of its duties and serves as the principal liaison between the independent directors and the CEO. In addition to these overall differences in duties, our Principles of Governance outline the specific duties of the Chair of the Board or a Lead Independent Director, including:

- Chairing all meetings of the Board at which the Chair is present (Chair of the Board duty only);
- Working with the CEO on the scheduling of Board meetings and the preparation of agendas and materials for Board meetings;
- Coordinating the preparation of agendas and materials for executive sessions of the Board's non-management directors;
- Scheduling and leading the executive sessions of the Board's non-management directors;
- Defining the scope, quality, quantity and timeliness of the flow of information between Company management and the Board that is necessary to effectively and responsibly perform their duties;
- Leading the Board process for hiring, terminating and evaluating the performance of the Company's CEO and working with the Chair of the Compensation Committee on the process for compensating and evaluating the CEO;
- Recommending outside advisors and consultants, as necessary, who report directly to the Board on Board-related issues;
- Serving as an ex-officio member of each committee and working with the Board Committee Chairs on the performance of their designated roles and responsibilities;
- Interviewing, along with the Chair of the Nominating Committee, all Board candidates and making director candidate recommendations to the Nominating Committee;
- Assisting the Board and the Company in assuring compliance with and implementation of the Company's Principles of Governance;

Coordinating the performance evaluations of the Board and the Board committees in conjunction with the Committee Chairs and the Nominating Committee;

Working with the Nominating Committee on the membership of Board committees; and

Being available for communications with shareholders, as needed.

Table of Contents

Risk Oversight

Enterprise-Wide Risk Oversight

Our Board of Directors oversees management's enterprise-wide risk management activities. Risk management activities include assessing and taking actions necessary to manage risk incurred in connection with the long-term strategic direction and operation of our business. Each director on our Board is required to have risk oversight ability for each skill and attribute the director possesses that is reflected in the collective skills section of our director skills matrix described in "Proposal 1 Election of Directors Director Nomination Process Criteria for Nomination to the Board" above. Collectively, our Board of Directors uses its committees to assist in its risk oversight function as follows:

- The Audit Committee oversees management's internal controls and compliance activities. The Audit Committee also oversees management's processes to identify and quantify material risks facing the Company, including risks disclosed in the Company's Annual Report on Form 10-K. The enterprise risk management function, which reports to the Chief Accounting Officer, assists the Company in identifying and assessing the Company's material risks. The Company's General Auditor, who reports to the Audit Committee, assists the Company in evaluating risk management controls and methodologies. The Chief Accounting Officer and General Auditor provide periodic reports to the Audit Committee. In connection with its risk oversight role, the Audit Committee regularly meets privately with representatives from the Company's independent registered public accounting firm and the Company's CFO, General Auditor and Chief Legal Officer;

- The Compensation Committee oversees risk associated with our compensation practices and plans;

- The Nominating Committee oversees Board processes and corporate governance-related risk; and

- The Public Policy Committee oversees risk associated with the public policy arena, including health care reform and modernization activities, political contributions, government relations, community and charitable activities and corporate social responsibility.

Our Board of Directors maintains overall responsibility for oversight of the work of its various committees by receiving regular reports from the Committee Chairs regarding their work. In addition, discussions about the Company's strategic plan, consolidated business results, capital structure, merger and acquisition related activities and other business discussed with the Board of Directors include a discussion of the risks associated with the particular item under consideration. Our current Board of Directors' leadership structure separates the positions of CEO and Chair of the Board. The Board believes that this separation is appropriate for the Company at this time because it allows for a division of responsibilities and a sharing of ideas between individuals having different perspectives.

Enterprise-Wide Incentive Compensation Risk Assessment

Our Compensation Committee requested that management conduct a risk assessment of the Company's enterprise-wide compensation programs. The risk assessment reviewed both cash incentive compensation plans and individual cash incentive awards paid in 2014 for the presence of potential design elements that could incent employees to incur excessive risk, the ratio and level of incentive to fixed compensation, the amount of manager discretion, the level of compensation expense relative to the business units' revenues, and the presence of other design features that serve to mitigate excessive risk-taking, such as the Company's clawback policy, stock ownership guidelines, multiple performance measures and similar features. The Compensation Committee also receives an annual report on the Company's compliance with its equity award program controls.

After considering the results of the risk assessment, management concluded that the level of risk associated with the Company's enterprise-wide compensation programs is not reasonably likely to have a material adverse effect on the Company. The results of the risk assessment were reviewed with the Compensation Committee at its February 2015 meeting. Please see "Compensation Discussion and Analysis" for a discussion of compensation design elements intended to mitigate excessive risk-taking by our executive officers.

Table of Contents

Board Meetings and Annual Meeting Attendance

Directors are expected to attend Board meetings, meetings of committees on which they serve and the Annual Meeting of Shareholders. All eleven directors attended the 2014 Annual Meeting. During the year ended December 31, 2014, the Board of Directors held ten meetings. All directors attended at least 75% of the meetings of the Board and any Board committees of which they were members in 2014.

Board Committees

The Board of Directors has established four standing committees: the Audit Committee, the Compensation Committee, the Nominating Committee and the Public Policy Committee. These committees help the Board fulfill its responsibilities and assist the Board in making informed decisions. Each committee operates under a written charter, and evaluates its charter and conducts a committee performance evaluation annually. The following table identifies the members of each committee as of March 16, 2015:

Director	Audit	Compensation	Nominating	Public Policy
William C. Ballard, Jr.				
Edson Bueno, M.D.				
Richard T. Burke*				
Robert J. Darretta				
Stephen J. Hemsley				
Michele J. Hooper				
Rodger A. Lawson				
Douglas W. Leatherdale				
Glenn M. Renwick				
Kenneth I. Shine, M.D.				
Gail R. Wilensky, Ph.D.				

Chairperson Member Financial Expert

* Mr. Burke is the Chair of the Board and ex-officio member of each Board committee. As an ex-officio member, Mr. Burke has a standing invitation to attend each Board committee meeting, but does not count for quorum purposes or vote on committee matters.

Audit Committee

The Audit Committee consists of Messrs. Renwick (Chair) and Darretta and Ms. Hooper, each of whom is an independent director under the NYSE listing standards and the SEC rules. The Board of Directors has determined that Messrs. Renwick and Darretta and Ms. Hooper are "audit committee financial experts" as defined by the SEC rules. The Audit Committee has responsibility for the selection and retention of the independent registered public accounting firm and assists the Board of Directors by overseeing financial reporting and internal controls and public disclosure. The Audit Committee reviews and assesses the effectiveness of the Company's policies, procedures and resource commitment in the areas of compliance, ethics, privacy and data security, by interacting with the leadership and management responsible for these functions. The Audit Committee also oversees management's processes to identify and quantify material risks facing the Company. The Audit Committee establishes procedures concerning the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and auditing matters. The Audit Committee operates as a direct line of

Table of Contents

communication between the Board of Directors and our independent registered public accounting firm, as well as our internal audit, compliance and legal personnel. The Audit Committee held ten meetings in 2014.

Compensation Committee

The Compensation Committee consists of Messrs. Lawson (Chair) and Ballard and Dr. Wilensky, each of whom is an independent director under the NYSE listing standards and the SEC rules, a non-employee director under the SEC rules and an outside director under the Internal Revenue Code of 1986 (the "Internal Revenue Code"). The Compensation Committee is responsible for overseeing our policies and practices related to total compensation for executive officers, the administration of our incentive and equity-based plans and the risk associated with our compensation practices and plans. The Compensation Committee also establishes our employment arrangements with our CEO and other executive officers, conducts an annual performance review of the CEO, and reviews and monitors director compensation programs and the Company's stock ownership guidelines. The Compensation Committee held five meetings in 2014.

Nominating Committee

The Nominating Committee consists of Ms. Hooper (Chair) and Messrs. Ballard and Leatherdale, each of whom is an independent director under the NYSE listing standards. The Nominating Committee's duties include identifying and nominating individuals to be proposed as nominees for election as directors at each Annual Meeting or to fill Board vacancies, conducting the Board evaluation process, evaluating the categorical standards which the Board of Directors uses to determine director independence, and monitoring and evaluating corporate governance. The Nominating Committee also oversees Board processes and corporate governance-related risk. The Nominating Committee held four meetings in 2014.

Public Policy Committee

The Public Policy Committee consists of Dr. Wilensky (Chair), Dr. Bueno and Dr. Shine. Dr. Wilensky and Dr. Shine are each independent directors under the NYSE listing standards. The Public Policy Committee is responsible for assisting the Board of Directors in fulfilling its responsibilities relating to the Company's public policy, health care reform and modernization activities, political contributions, government relations, community and charitable activities and corporate social responsibility. The Public Policy Committee is also responsible for overseeing the risks associated with these activities. The Public Policy Committee held four meetings in 2014.

Communication with the Board of Directors

The Board of Directors values the input and insights of our shareholders and other interested parties and believes that effective communication strengthens the Board of Directors' role as an active, informed and engaged fiduciary. The Board of Directors has adopted a Board of Directors Communication Policy to facilitate communication between shareholders and other interested parties and the Board. Under this policy, the Board of Directors has designated the Company's Secretary to the Board of Directors as its agent to receive and review communications.

The Secretary to the Board of Directors will not forward to the directors communications received which are of a personal nature or not related to the duties and responsibilities of the Board of Directors, including, without limitation, junk mail, mass mailings, business solicitations, routine customer service complaints, new product or service suggestions, and opinion survey polls. The Secretary to the Board of Directors will forward such complaints and suggestions received to the appropriate members of the Company's management.

Appropriate matters to raise in communications to the Board include:

- Board succession planning process;
- CEO succession planning process;
- Executive compensation;

- Use of capital;
- Corporate governance; and
- General Board oversight, including accounting, internal controls, auditing and other related matters.

The policy, including information on how to contact the Board of Directors, may be found in the corporate governance section of our website, *www.unitedhealthgroup.com*.

Table of Contents

EXECUTIVE COMPENSATION

Executive Summary

UnitedHealth Group's compensation program is designed to attract and retain highly qualified executives and to maintain a strong link between pay and the achievement of enterprise-wide goals. We emphasize and reward teamwork and collaboration among executive officers, which we believe fosters Company growth and performance, optimizes the use of enterprise-wide capabilities, drives efficiencies and integrates products and services for the benefit of our customers and other stakeholders.

In determining 2014 executive compensation, the Compensation Committee considered the Company's strong growth, operating performance and financial results, all of which were achieved in a challenging economic environment, as well as individual executive performance. Some of our key business results for 2014 were:

- Revenues increased 7% to $130.5 billion from $122.5 billion in 2013;
- Operating earnings increased 7% year-over-year to $10.3 billion, and net earnings stayed strong at $5.6 billion and were supported by cash flows from operations of $8.1 billion;
- Earnings per share increased 4% to $5.70 per share from $5.50 per share in 2013;
- Return on equity again exceeded 17% in 2014;
- Total shareholder return, which is defined as the increase in stock price, together with dividends paid, was 36% in 2014 and 106% over the 2012-2014 time period;
- Our annual dividend rate increased to $1.50 per share, paid quarterly, representing a 34% increase over the annual dividend rate of $1.12 per share paid quarterly since the second quarter of 2013;
- We repurchased $4 billion in stock at an average price of $82.57 per share;
- UnitedHealth Group was the top ranking company in the insurance and managed care sector on *Fortune's* 2015 "World's Most Admired Companies" list, based on 2014 results. This is the fifth consecutive year UnitedHealth Group ranked No. 1 overall in its sector and the sixth year in a row the Company has been rated No. 1 in its sector for innovation;
- UnitedHealth Group was recognized as one of America's 50 most community-minded companies for 2014 in *The Civic 50*, and ranked first in the health care industry for the second consecutive year; and
- UnitedHealth Group was listed in the Dow Jones Sustainability World Index and Dow Jones North America Index for the 16th consecutive year.

The Compensation Committee believes that total compensation for the executive officers listed in the 2014 Summary Compensation Table (the "named executive officers") should be heavily weighted toward long-term performance-based compensation, and this was the case for 2014. The elements of compensation for our named executive officers were unchanged from 2013. In 2014, long-term compensation represented approximately 76% of the total mix of compensation granted to our named executive officers.

As discussed in detail below and reflected in the 2014 Summary Compensation Table, in 2014, the Compensation Committee determined that our CEO, Mr. Hemsley, should receive the following compensation:

- Base salary of $1.3 million, which is unchanged since 2006;

- Annual cash incentive award of $3.0 million, which represents 132% of his target opportunity;

- Long-term cash incentive award of $949,000 for the 2012-2014 performance period, which represents above target performance by the Company against pre-set 2012-2014 long-term incentive plan performance goals;

- A performance-based restricted stock unit opportunity ("performance shares") with a target grant date fair value of $3.75 million, restricted stock units ("RSUs") with a grant date fair value of $3.875 million, and non-qualified stock options with a grant date fair value of $1.875 million; and

- Company matching contributions of $104,700 made under the Company's 401(k) plan and Executive Savings Plan.

We endeavor to maintain strong governance standards in the oversight of our executive compensation programs, including the following policies and practices that were in effect during 2014:

- The direct retention by the Compensation Committee of its independent compensation consultant, Pay Governance LLC, which performs no other consulting or other services for the Company.
- Stock ownership guidelines for our executive officers, each of whom complied with the applicable ownership guidelines as of December 31, 2014. Mr. Hemsley, our CEO, directly owned shares equal to 279 times his base salary as of March 16, 2015.
- A stock retention policy that generally requires executive officers to hold, for at least one year, one-third of the net shares acquired upon vesting or exercise of any equity award.
- No ongoing pension obligations (supplemental or otherwise) for any of our named executive officers.
- No excise tax gross-ups or executive-only perquisites such as company cars, security systems, financial planning or vacation homes.
- A compensation clawback policy that entitles the Board of Directors to seek reimbursement from our senior executives if they are involved in fraud or misconduct that causes a material restatement, or in the event of a senior executive's violation of non-compete, non-solicit or confidentiality provisions.
- Performance-based compensation arrangements, including performance-based equity awards, that use a variety of performance measures.
- Double-trigger accelerated vesting of time-based equity awards, requiring both a change in control and a qualifying employment termination, which is our only change in control consideration.
- Prohibition on repricing of stock options and stock appreciation rights without shareholder approval.
- Annual advisory shareholder vote to approve the Company's executive compensation.

Compensation Discussion and Analysis

Philosophy and Objectives of our Compensation Program

We seek to attract and retain highly qualified executives and establish a strong pay-for-performance alignment by linking senior management compensation to enterprise goals. The primary objectives of our executive compensation program are to:

- Align the economic interests of our executive officers with those of our shareholders.

Attract, motivate and retain highly qualified executive officers.

Reward performance that emphasizes teamwork and close collaboration among executive officers while also recognizing individual performance.

Reward performance that supports the Company's values.

Reward performance that advances our mission of helping people live healthier lives and helping to make the health system work better for everyone.

Foster an entrepreneurial spirit that reflects innovative thinking and action and effective and accountable management and leverages the ingenuity of our employees.

Compensation Program Principles

Our Compensation Committee uses the following principles to implement our compensation philosophy and achieve our executive compensation program objectives:

Pay-for-performance. A substantial portion of the total compensation of our executive officers is earned based on achievement of enterprise-wide goals that affect shareholder value.

Enhance the long-term value of the business. Our incentive compensation design and the performance measures we select encourage executive officers to focus on enhancing the longer-term value of the Company and avoid excessive risk-taking.

Reward long-term growth and focus management on sustained success and shareholder value creation. Compensation of our executive officers is heavily weighted toward long-term equity awards. These awards encourage sustained performance and positive shareholder returns.

Standard benefits and very limited perquisites. We provide standard employee benefits and very limited perquisites to our executive officers. We generally do not have any "executive-only" benefits or perquisites, which we believe is appropriate in our culture and does not impact our ability to attract and retain top executive talent.

Determination of Total Compensation

Role of the Compensation Committee

The Compensation Committee oversees the Company's policies and philosophy related to total compensation for executive officers. The Compensation Committee approves the compensation for the named executive officers based on its own evaluation, input from our CEO (for all executive officers except himself), internal pay equity considerations, the tenure, role and performance of each named executive officer, input from its independent consultant and market data.

In addition, in making compensation decisions, the Compensation Committee considers the results of the Company's annual shareholder advisory votes approving the Company's executive compensation. Since our inaugural vote in 2011, more than 97% of the votes cast have been in favor of the Company's executive compensation at each of our annual meetings. The Compensation Committee believes these shareholder votes indicate strong support for the Company's executive compensation program.

The Compensation Committee's Use of an Independent Compensation Consultant

The Compensation Committee retains a separate independent compensation consultant, Jon Weinstein of Pay Governance LLC, to advise the Compensation Committee on executive and director compensation matters, assess total compensation program levels and program elements for executive officers and evaluate competitive compensation trends. Pay Governance does not provide any other services to the Company and does not perform any work for management. The Compensation Committee has assessed the independence of Mr. Weinstein and of Pay Governance, specifically considering, in accordance with SEC rules, whether Mr. Weinstein and Pay Governance had any relationships with the Company, our officers or our Board members that would impair their independence. Based on this evaluation, the Compensation Committee concluded that Mr. Weinstein's and Pay Governance's work for the Compensation Committee does not raise any conflict of interest.

Competitive Positioning

The Compensation Committee believes that total compensation for the named executive officers should be heavily weighted toward long-term performance-based compensation, but it does not target a specific mix of annual and long-term compensation or cash and equity compensation and does not use competitive compensation benchmark data to formulaically set compensation amounts.

In general, the Compensation Committee's goal is to achieve total compensation for the named executive officers as a group that falls within a range of the 50th to 75th percentiles of the market data for our peer group

(as discussed below) if paid at target. Target total compensation of our named executive officers as a group in 2014, consisting of base salary, target annual cash incentive award, target long-term cash incentive award and the grant date fair value of equity awards (including performance shares at target), resulted in a target compensation opportunity for our named executive officers as a group between the 50th and the 75th percentile of the market data for our peer group. The Compensation Committee believes this range is an appropriate reflection of the Company's size, complexity and relative performance over the past several years. The following is a brief summary of the processes followed by the Compensation Committee to select competitive compensation benchmark data and how the Compensation Committee uses that data.

The Compensation Committee requests Pay Governance to conduct an annual review of the compensation peer group. This review occurs at the second quarter Compensation Committee meeting because recent financial and compensation data is generally available. The annual review is intended to ensure that the peer group companies are appropriate from a business and talent perspective.

Following this review in 2014, the Compensation Committee decided to make changes to the peer group composition. Previously, a general industry peer group comprised of large public companies was used. In 2014, management of the Company completed an analysis of approximately 240 senior members of management, including the industries from which they were recruited. Pay Governance used this data to formulate a peer group focused on the broad categories of industries reflected in the career experience and work histories of those leaders. Pay Governance used the following methodology to develop the peer group:

- All U.S. publicly traded companies in the following industries as the starting point:

Health care	Pharma/Biotech/Life Sciences
Insurance	Financial Services
Technology	Professional Services (*e.g.,* consulting, accounting)

- Then limit the list to the top 25 companies by revenue and market cap, to avoid companies of significantly smaller scope; and

- Add major companies located near UnitedHealth Group's headquarters and primary operating locations.

This screen process resulted in the 51 companies set forth under "Peer Group and Managed Care Companies" below, of which 48 were included in the Company's prior general industry peer group. As compared to the peer group, the Company is:

- In the top decile on a revenue basis;

- Approximately at median on a market cap basis;

- Approximately at the 75th percentile on an earnings from operations basis; and

- Approximately at the 70th percentile on a number of employees basis.

The Compensation Committee approves the process by which the peer group companies are selected.

The Compensation Committee also considers market data from the four largest publicly traded managed care companies with which we compete for business, three of which are in the 51 company peer group described above. However, the Compensation Committee does not use this group of managed care companies as a primary reference point for benchmarking compensation practices because the Company is substantially larger, more complex and more diverse than these companies, and because we believe that the Company competes primarily for talent and capital with other successful large companies across a broader group of industries.

Once the process by which peer group companies are selected is determined, the Compensation Committee generally uses the peer group data as follows:

- At the fourth quarter Compensation Committee meeting, Pay Governance conducts an annual review of the market competitiveness of the Company's executive compensation program for the Company's executive officers. The review compares the compensation opportunities provided to the Company's executive officers to peer group companies on a position-by-position basis and on an aggregate basis.

Table of Contents

At the first quarter meeting, the Compensation Committee determines pay opportunities for each officer, using the market competitiveness assessment from the fourth quarter as a reference point. In addition, the Compensation Committee takes into consideration the Company's performance against previously established performance goals, each officer's individual performance, internal equity, and other relevant business performance that may not be adequately captured by the Company and individual officer goals.

The companies that were included in the 2014 peer group and the four managed care companies are listed at the end of this Compensation Discussion and Analysis.

Role of Management and CEO in Determining Executive Compensation

The Compensation Committee has the responsibility to approve and monitor all compensation for our executive officers. Management recommends appropriate enterprise-wide financial and non-financial performance goals for use in incentive compensation. Our CEO assists the Compensation Committee by evaluating the performance of the executive officers that report directly to him and recommending compensation levels for these executive officers. Our CEO does not, however, make recommendations regarding his own compensation.

Use of Tally Sheets and Wealth Accumulation Analysis

When approving compensation decisions, the Compensation Committee reviews comprehensive tally sheet information for each of our executive officers. These tally sheets are prepared by management and quantify the elements of each executive officer's total compensation. The tally sheets include a summary of all equity awards previously granted to each executive officer, the gain realized from past vesting or exercise of equity awards, the projected value of accumulated equity awards based upon various stock price scenarios, and compensation to be paid under various potential employment termination scenarios. This is done to effectively analyze the compensation each executive officer has accumulated to date and to fully understand the amount the executive officer could accumulate in the future.

Table of Contents

Elements of our Compensation Program

Overview

The compensation program for our named executive officers consists of the following elements:

Compensation Element	Objective	Type of Compensation
Base salary	To provide a base level of cash compensation for executive officers	Annual compensation, not variable
Annual cash incentive awards	To encourage and reward executive officers for achieving annual corporate performance goals and individual performance results	Annual performance compensation, variable
Long-term cash incentive awards	To encourage and reward executive officers for achieving three-year corporate performance goals	Long-term performance compensation, variable
Equity awards	To motivate and retain executive officers and align their interests with shareholders through the use of:	Long-term performance compensation, variable
	Performance shares to motivate sustained performance and growth and potentially assist executives in building ownership in the Company	
	RSUs to retain executive officers and build stock ownership positions	
	Non-qualified stock options to encourage sustained stock price appreciation	
Employee benefits	To promote health, well-being and financial security of employees, including executive officers; constitutes the smallest part of total remuneration	Annual indirect compensation, not variable

Annual Compensation

Base Salary

The Compensation Committee generally determines base salary levels for our named executive officers early in the fiscal year, with changes becoming effective during the first quarter of the fiscal year. The Compensation Committee kept base salaries for 2014 the same as they were for 2013. In February 2015, following consideration of 2014 performance evaluations and to reflect increased responsibilities undertaken in connection with business realignment activities announced in November 2014, the Compensation Committee approved the following changes to base salary levels for our named executive officers for fiscal 2015. The changes to the base salary for Mr. Wichmann, Mr. Renfro and Ms. Short were made retroactive to December 1, 2014:

Name	2015 Base Salary ($)	2014 Base Salary ($)	Increase From 2014 to 2015 (%)
Stephen J. Hemsley	1,300,000	1,300,000	
David S. Wichmann	1,100,000	900,000	22%

Larry C. Renfro	1,100,000	900,000	22%
Marianne D. Short	800,000	750,000	7%
Eric S. Rangen	400,000	400,000	

Table of Contents

Annual Cash Incentive Awards

2014 Annual Incentive Plan Performance Goals

Annual cash incentive awards may be paid if our Company meets or exceeds annual performance goals for that year as determined by the Compensation Committee. In establishing the performance measures for the 2014 annual cash incentive awards in early 2014, the Compensation Committee sought to align broadly the compensation of our executive officers with key elements of the Company's 2014 business plan. Development of the Company's 2014 business plan was a robust process that involved input from all of the Company's business units and was reviewed with the Company's Board of Directors in the fourth quarter of 2013 and the first quarter of 2014. These performance measures are based on enterprise-wide measures because the Compensation Committee believes that the named executive officers share the responsibility to support the goals and performance of the Company as key members of the Company's leadership team. At the target level, the financial performance goals were generally higher than the 2014 financial outlook presented publicly in December 2013 at the Company's annual investor conference. The following table sets forth the performance measures and goals established, as well as actual 2014 performance results:

2014 Performance Measure	Weight	Threshold Performance	Target Performance	Maximum Performance	Actual 2014 Performance
Revenue*	1/3	$123.5 billion	$130.0 billion	$136.5 billion	$130.004 billion
Operating Income*	1/3	$9.078 billion	$10.68 billion	$12.282 billion	$10.274 billion
Cash Flows from Operations*		$7.055 billion	$8.3 billion	$9.545 billion	$8.051 billion
Stewardship:	1/3	2013 target	2 point above 2013 target	4 points above 2013 target	
Customer and Physician Satisfaction					
Employee Engagement					At 2013 threshold for customer and physician satisfaction; below threshold for employee engagement; and between threshold and target for employee teamwork
Employee Teamwork					

* The Company's annual incentive plan allows for adjustments to the Company's reported results for the impact of changes in accounting principles, extraordinary items and unusual or non-recurring gains or losses, including significant differences from the assumptions contained in the financial plan upon which the incentive targets were established. Adjustments to reported results are intended to better reflect executives' line of sight/ability to affect payouts, align award payments with growth of the Company's business, avoid artificial inflation or deflation of awards due to unusual or non-recurring items in the applicable period and emphasize the Company's preference for long-term and sustainable growth. In 2014, revenues were decreased to remove the revenues of acquired companies whose acquisitions were not contemplated when the targets were established.

Context for the 2014 Annual Cash Incentive Plan Performance Goals

The 2014 financial performance measures at target level represented year-over-year growth in revenues of $7.5 billion or 6.1%, year-over-year growth in operating income of $1.1 billion or 11.0% (~2% on an after-tax basis), and a year-over-year increase in operating cash flows of $1.3 billion or 18.7%. These targets reflected the view that there would be a continued difficult business environment in 2014, including the following expectations:

Implementation of several major provisions of the Affordable Care Act, including the insurance industry tax, public exchanges, a transitional reinsurance program, individual and small group market reforms, and expanded Medicaid coverage;

There would not be net favorable development in previously reported medical costs payable estimates;

Health system utilization would increase modestly from the historically low levels experienced over the past several years; and

Table of Contents

- There would be continued downward rate pressure in Medicare Advantage payment rates received from the federal government, resulting in a decision by the Company to exit certain plans and market areas.

The 2014 non-financial performance measures were based on survey data results and, at target levels, represented increases over 2013 in all categories. These measures were viewed to be important to obtaining longer-term financial successes that might not be immediately reflected in annual financial results. The Compensation Committee was of the view that the breadth of financial and non-financial performance measures for the 2014 annual cash incentive award would motivate the executive officers to achieve results that should contribute to value creation for our shareholders on a long-term basis and avoid excessive risks.

At the beginning of 2014, the Compensation Committee believed that achievement of the annual incentive goals required substantial performance on a broad range of initiatives contained in the 2014 business plan. These initiatives included the following:

- Grow medical enrollment in government programs by approximately 600,000 despite Medicare Advantage market exits, while limiting commercial enrollment losses;
- Continue to execute our major, multi-track Medicare Advantage remediation plan to compensate for funding rates from the federal government that are projected to be less than the rate of medical cost inflation;
- Continue to innovate in commercial products, service and distribution and prepare for a broader level of participation in the public exchanges in 2015;
- Deliver more effective and comprehensive clinical management, and expand the proportion of our network operating with value-based contracts;
- Execute on Optum's growth and margin improvement initiatives;
- Implement price increases and productivity initiatives in the Amil business to offset pressure from 2013 regulatory changes; and
- Further improve our consolidated operating cost ratio after considering the impact of changes in business mix.

The Company made substantial progress with regard to the initiatives above. While the Company significantly exceeded its enrollment targets for Medicare and Medicaid, commercial enrollment losses were greater than targeted. Revenues were at target levels after excluding revenues from acquisitions that were not contemplated when targets were established.

Both operating income and cash flows from operations for 2014 were slightly below target, but were above the midpoint of the ranges presented at the Company's December 2013 investor conference. Non-financial performance measures were at or above threshold levels except for employee engagement, which was below the threshold performance level. Earnings per share increased 4% in 2014, and the Company's total shareholder return was 36%, reflecting continued successful performance in an uncertain environment.

While the Company uses defined performance measures and weightings to determine an overall funding level for the Company's bonus pool, individual annual cash incentive awards are not purely formulaic. In determining the amount of the actual annual incentive award to be paid, the Compensation Committee considers the CEO's recommendations for executive officers other than himself, the business performance underlying each of the performance measures, macroeconomic factors disproportionately impacting business performance, individual executive performance, market positioning, teamwork and related matters. The Compensation Committee retains discretion to pay an annual incentive award that is higher or lower than the performance level achieved based on these considerations if threshold performance is achieved on any performance measure. However, the overall pool cannot be exceeded.

Determination of 2014 Annual Cash Incentive Award Opportunities

At the beginning of each year, the Compensation Committee approves an "annual cash incentive target opportunity" for each executive officer as a percentage of the executive officer's base salary.

Table of Contents

The target opportunities established for the named executive officers are intended to increase collaboration, teamwork and accountability across the enterprise, to recognize the skills and versatility of each executive officer, and to reflect relative contributions to the success of the overall enterprise. At the end of the fiscal year, the Compensation Committee reviews the Company's achievement of the performance goals set at the beginning of the year and makes annual cash incentive awards based on such performance. In making these awards, the Compensation Committee has the ability to use its discretion to increase or decrease the actual awards made in view of actual performance, individual contributions and overall business and market conditions.

In 2014, the Compensation Committee evaluated the Company's 2014 performance against the performance goals, and in light of economic conditions, business challenges and individual performances, the Compensation Committee exercised its discretion to adjust the 2014 annual cash incentive awards such that they represented 100%-222% of the targets set at the beginning of 2014. The target percentages for annual cash incentive awards to our named executive officers and the actual 2014 annual cash incentive awards paid are set forth in the table below. An explanation of how the individual amounts were determined follows the table.

2014 Annual Cash Incentive Awards

Name	Target Percentage (% of Salary)	Target Award Value ($)	Actual Award Paid ($)	Paid Award (% of Target)
Stephen J. Hemsley	175%	2,275,000	3,000,000	132%
David S. Wichmann	150%	1,350,000	3,000,000	222%
Larry C. Renfro	150%	1,350,000	3,000,000	222%
Marianne D. Short	100%	750,000	1,125,000	150%
Eric S. Rangen	75%	300,000	300,000	100%
Gail K. Boudreaux	150%	1,350,000	3,000,000	222%

In determining the 2014 annual cash incentive award amounts, the Compensation Committee took into account the Company's performance against the 2014 annual performance goals set forth in the table above, business results described under "Context for the 2014 Annual Cash Incentive Plan Performance Goals" and a qualitative assessment of individual performance and accomplishments. Individual factors considered are as follows:

For Mr. Hemsley, the Compensation Committee coordinates a formal performance evaluation by all non-management directors. The 2014 performance evaluation focused on the following areas: strategic focus, leadership and organization effectiveness, vision and values, corporate reputation and government relations, Board relations, and overall performance. The Compensation Committee concluded that Mr. Hemsley's performance was outstanding and distinctive in each category.

Mr. Wichmann's individual performance considerations included leadership in rapidly developing multiple innovative new business platforms addressing multibillion dollar growth opportunities, developing and implementing more modern and engaging approaches to serving care providers and consumers by providing timely, relevant information through intuitive technologies, continued success in operational cost savings initiatives, acquisition integration, including Amil in Brazil, enterprise-wide technological advancement and simplification, development of global sourcing capabilities, balance sheet, cash flow and capital management disciplines, and his assumption of responsibility for UnitedHealthcare in November 2014. In recognition of this particularly strong business performance, the Compensation Committee exercised its discretion to pay an annual cash incentive in excess of the Compensation Committee's typical 200% cap.

Mr. Renfro's individual performance considerations included completion of the largest and most successful pharmacy benefits management membership migration in the history of that sector, significant progress in achievement of a multi-year "One Optum" strategic direction, related organizational and operational simplification initiatives, launch of a new business platform to modernize health care administration, and

successful work in connection with the remediation of technical issues with the federal government's healthcare.gov operating platform. In recognition of this particularly strong business performance, the Compensation Committee exercised its discretion to pay an annual cash incentive in excess of the Compensation Committee's typical 200% cap.

Ms. Short's individual performance considerations included an assessment of her strong leadership as a UnitedHealth Group executive in general and leadership of the legal department, implementation of Foreign Corrupt Practices Act compliance programs in recent international acquisitions, participation in cost management initiatives, and distinctive leadership and judgment in ongoing litigation and business matters.

Mr. Rangen's individual performance considerations included ongoing implementation of an enterprise risk management program to effectively manage large scale risk for the organization, and embedding the program in annual strategic planning process, leadership and oversight of the issuance of over 150 audited financial statements including US GAAP, IFRS, benefit plan, subsidiary, and domestic and international statutory filings; and financial compliance oversight for all enterprise SEC-related activities, including all accounting policy decisions.

The Compensation Committee did not make specific assessments of, quantify or otherwise assign relative weightings to the factors considered in reaching its decisions with respect to any of the named executive officers. See the 2014 Summary Compensation Table and other related compensation tables below for details regarding 2014 total compensation.

Long-Term Incentive Compensation

Long-term incentive compensation, consisting of the long-term cash incentive program and equity awards, represents the largest portion of executive officer compensation. This combination of long-term incentives provides a compelling performance-based compensation opportunity, aids in aligning and retaining the senior management team and accelerates the optimization of business unit capabilities across the enterprise.

Long-Term Awards

2012-2014 Long-Term Cash Incentive and Performance Share Goals and Context

The long-term cash incentive award and performance share programs create a financial incentive for achieving or exceeding three-year financial goals for the enterprise. The earned long-term cash incentive award and performance shares for the 2012-2014 performance period were based on achieving the following performance results versus the pre-set goals:

2012-2014 Performance Measure	Weight	Threshold Performance	Target Performance	Maximum Performance	Actual 2012-2014 Performance
Cumulative Earnings Per Share	50%	$14.61	$15.49	$16.72	$16.48
Return on Equity	50%	15.7%	17.7%	19.7%	17.9%

The performance measures and goals for the 2012-2014 performance period were established during the first quarter of 2012 based on the Company's long-term business plan. The first year of the long-term business plan was based on the Company's 2012 business plan. Subsequent years were based on assumptions and growth initiatives developed in conjunction with the Company's business units and reviewed by the Board of Directors. Due to uncertainty of the financial impact of U.S. Congressional activities at the time and certain aspects of the federal Affordable Care Act, the Company's long-term business plan specifically excluded the impact of sequestration (federal budget cuts arising from the Budget Control Act of 2011) and the insurer's fee (an industry-wide assessment to health insurers under the Affordable Care Act). The financial impact of sequestration and the insurer's fee was therefore excluded from the initial targets set for the 2012-2014 long-term cash incentive and performance share programs. For consistency with the actual results, the targets used for determining payouts under these programs incorporate the impact of sequestration and the insurer's fee.

Table of Contents

Other key assumptions and elements of the long-term business plan were:

- Commercial, Medicare and Medicaid enrollment growth in all years, including significant growth in 2014 from Medicaid expansion and participation in public health exchanges;
- Significant downward rate pressure in both Medicare Advantage and Medicaid payment rates received from federal and state governments;
- An expectation that medical cost trends would be consistent with historical levels and that there would not be net favorable development in previously reported medical cost payable estimates;
- Delivery of more effective and comprehensive clinical management;
- Improvement in Centers for Medicare and Medicaid Services ("CMS") star ratings in each year;
- Alignment and simplification of our various Optum business units into a technology-enabled health care services business platform driving distinctive revenue, margin and earnings performance;
- Insourcing pharmacy benefits management for UnitedHealthcare commercial members;
- Ongoing improvements to our consolidated operating cost ratio on a comparable business mix basis; and
- Effective cross-enterprise collaboration across various business units for the benefit of customers and our overall reputation.

To achieve maximum performance for both the long-term cash incentive plan and the performance share plan, the Company would have to achieve cumulative three-year earnings per share ("EPS") performance of $16.72 and an average return on equity ("ROE") of 19.7%. These maximum performance levels corresponded to a compound annual growth rate in EPS of 7.3% over the three-year period, with EPS growth of nearly 10% in both 2012 and 2013 followed by growth of 2.6% in 2014 due to the commencement of the insurer's fee. The Company had a compound annual EPS growth rate of 6.4% over the three-year performance period. The resulting cumulative EPS of $16.48 was between the target and maximum performance level.

Factors that positively or negatively influenced our results subsequent to the approval of the long-term business plan in early 2012 included:

- A continued movement to managed care in state-based Medicaid programs and faster than anticipated enrollment of individuals that became eligible with the expansion of Medicaid in 2014;
- Continued relatively favorable medical cost trend experience over the three-year period;
- Limited participation in federal and state exchanges in 2014;
- Delayed implementation of the employer mandate, originally scheduled to become effective in 2014; and

Greater than anticipated downward rate pressure in Medicare Advantage payment rates received from the federal government.

Similar to the annual incentive plan, the Company's long-term incentive plan allows for adjustments to the Company's reported results in determining long-term incentive plan awards, namely adjustments that account for the impact of changes in accounting principles, extraordinary items and unusual or non-recurring gains or losses. No adjustments were made to the Company's financial results in determining long-term incentive award and performance share payout levels for the 2012-2014 performance period.

2012-2014 Long-Term Cash Incentive Awards

At the beginning of each three-year performance period, the Compensation Committee approves a "long-term cash incentive target opportunity" for each executive officer as a percentage of the executive officer's average base salary over the performance period. At the end of a performance period, the Compensation Committee reviews the Company's achievement of the performance goals set at the beginning of the performance period and makes long-term cash incentive awards based on such performance. In making these awards, the Compensation

Table of Contents

Committee has the ability to use its discretion to increase or decrease the actual awards made in view of actual performance, individual contributions and overall business and market conditions.

For the 2012-2014 performance period, the target opportunity for each executive officer was 50% of base salary, and the maximum cash incentive award that an executive officer could earn was set by the Compensation Committee to be equal to two times the applicable long-term cash incentive target opportunity. In choosing this target opportunity, the Compensation Committee believed that it was important to provide the same relative target opportunity to all of the named executive officers to increase collaboration, teamwork and accountability across the enterprise and to recognize the skills and versatility of each executive officer.

The target percentages for long-term cash incentive awards to our named executive officers and the actual long-term cash incentive awards paid for the 2012-2014 performance period are set forth in the table below:

Long-Term Cash Incentive Award

Name	Target Percentage (% of 3-Year Average Base Salary)	Threshold Award Value ($)	Target Award Value ($)	Maximum Award Value ($)	Actual Award Paid ($)	Paid Award (% of Target)
Stephen J. Hemsley	50%	3,693	650,000	1,300,000	949,000	146%
David S. Wichmann	50%	2,503	440,481	880,962	643,102	146%
Larry C. Renfro	50%	2,503	440,481	880,962	643,102	146%
Marianne D. Short	50%	1,393	245,192	490,384	357,981	146%
Gail D. Boudreaux	50%	2,503	440,481	880,962		

The primary factor considered by the Compensation Committee in the determination of the long-term cash incentive award amounts was achievement of 2012-2014 long-term incentive plan measures between target and maximum goals. Ms. Short, who joined the Company on December 31, 2012, received a pro rata payout of the 2012-2014 long-term cash incentive award. Eric S. Rangen does not participate in the long-term cash incentive award program.

2012-2014 Performance Share Awards

The use of performance shares as a component of the overall equity awards granted was based upon the Compensation Committee's consideration of competitive market data; the value of utilizing a balanced system to facilitate prudent decision-making and mitigate risk; the desire to encourage superior performance and build ownership; and conversations with shareholders about the desirability of this type of equity award as a component of a pay-for-performance program. The actual shares that were earned for the 2012-2014 performance period are set forth in the table below as well as reflected in the 2014 Option Exercises and Stock Vested table:

Long-Term Performance Shares

Name	Threshold Shares (#)	Target Shares (#)	Maximum Shares (#)	Actual Shares Paid (#)	Paid Award (% of Target)
Stephen J. Hemsley	382	67,269	134,538	98,213	146%
David S. Wichmann	246	43,245	86,490	63,138	146%
Larry C. Renfro	246	43,245	86,490	63,138	146%
Eric S. Rangen	55	9,610	19,220	14,031	146%

Gail K. Boudreaux	246	43,245	86,490	63,138	146%

Table of Contents

Equity Awards

Equity Award Practices

Awards of equity-based compensation to our executive officers serve the purposes described above under "Long-Term Incentive Compensation." The Compensation Committee determined that equity-based compensation for 2014 should include grants of RSUs, performance shares and non-qualified stock options to achieve balance and effectiveness in our equity-based compensation and to align the interests of our executive officers and our shareholders. RSU grants were selected because they are full value shares with time vesting and, as such, provide added retention value. Performance share grants were selected to ensure a strong pay-for-performance alignment of the Company's compensation program with shareholder interests. The Compensation Committee's decision to grant performance shares was informed, in part, by past discussions held between the Company and certain of its shareholders regarding the merits of performance shares in a pay-for-performance executive compensation program. Non-qualified stock options were selected because they have value only if the Company's stock price increases and, as such, provide incentives for sustained long-term stock appreciation.

The Compensation Committee's equity award policy requires that all grants of equity be made at set times. We do not have a specific program, plan or practice to time equity compensation awards to named executive officers in coordination with our release of material information.

The Company does not pay dividend equivalents on performance shares granted to employees. After considering general market practices, the Compensation Committee amended the RSU award agreements to permit the payment of dividend equivalents on RSUs awarded in 2011 and after. The dividend equivalents are subject to the same terms as the RSUs and will be forfeited if the underlying RSUs do not vest.

The aggregate number of shares subject to equity awards made in 2014 for all employees was approximately 1% of the Company's shares outstanding at the end of 2014.

Equity Awards 2014

In February 2014, the Compensation Committee granted the following target number of performance shares, RSUs and stock options to our named executive officers:

Name	Target Number of Performance Shares (#)	Annual RSU Award (#)	Annual Stock Option Award (#)	Special RSU Award (#)
Stephen J. Hemsley	53,389	26,695	83,918	28,474
David S. Wichmann	32,034	16,017	50,351	42,711
Larry C. Renfro	32,034	16,017	50,351	42,711
Marianne D. Short	21,356	10,678	33,568	14,237
Eric S. Rangen	7,119	3,560	11,190	
Gail K. Boudreaux	32,034	16,017	50,351	42,711

The grant date fair values and terms of these equity awards are discussed in the 2014 Grants of Plan-Based Awards table. The special RSU award cliff vests on the third anniversary of grant. These special RSU awards were part of a broad-based grant to approximately 1,500 members of management considered to be top talent. These awards provided additional performance incentives given the potential for unanticipated disruption due to the implementation of federal health care reform.

Other Compensation

Benefits

In addition to generally available benefits, our executive officers are eligible to receive supplemental long-term disability coverage equal to 60% of base salary (up to $420,000 for Mses. Short and Boudreaux and Mr. Rangen)

Table of Contents

and all of our named executive officers, other than Messrs. Hemsley and Rangen, receive supplemental group term life insurance coverage of $2 million. Executive officers are also eligible to participate in our non-qualified Executive Savings Plan. See the 2014 Non-Qualified Deferred Compensation table for additional information regarding contributions, earnings and distributions for each named executive officer under the Executive Savings Plan. Our Executive Savings Plan does not provide for guaranteed or above-market interest.

As part of our continued focus on the community, the Company implemented an Executive Board Service Matching Program. This program is available to approximately 240 senior leaders of the Company, including the named executive officers. This program provides for Company matching contributions on a 1:1 or 2:1 basis to certain charitable and nonprofit organizations up to a maximum amount of $10,000 per organization and a maximum annual Company match amount of $40,000 per senior leader. In order to receive the matching contribution, the employee must serve on the board of the charitable or nonprofit organization and make an equivalent personal financial contribution.

Perquisites

We do not believe that providing generous executive perquisites is either necessary to attract and retain executive talent or consistent with our pay-for-performance philosophy. Therefore, other than the benefits described above, we do not provide perquisites such as excise tax gross-ups, company automobiles, security services, private jet services, financial planning services, club memberships, apartments or vacation homes to our executive officers. We prohibit personal use of corporate aircraft by any executive officer unless the Company is reimbursed for the full incremental cost to the Company of such use. Because there is essentially no incremental cost to the Company, we permit an executive officer's family member to accompany the executive officer on a business flight on Company aircraft provided a seat is available.

Departure of Gail K. Boudreaux

The Company and Ms. Boudreaux entered into a Separation and Release Agreement dated November 3, 2014 (the "Separation Agreement"). The Separation Agreement provides Ms. Boudreaux base salary until February 27, 2015, the date her employment with the Company would terminate (the "Termination Date"), and eligibility to receive an annual incentive award for 2014 at the same payment ratio of 2014 base salary as other senior executives of the Company. Ms. Boudreaux did not receive a payout under the long-term cash incentive award for the 2012-2014 performance period under the Company's Executive Incentive Plan.

The Separation Agreement provides Ms. Boudreaux cash severance compensation pursuant to the terms of her employment agreement, dated August 8, 2011, payable over the two-year period following the Termination Date. Under the terms of the equity award agreements that govern Ms. Boudreaux's previously granted equity awards, such awards continue to vest and remain exercisable during the payment of the severance compensation as long as Ms. Boudreaux complies with the terms of the Separation Agreement, including non-compete and non-solicit agreements.

Employment Agreements and Post-Employment Payments and Benefits

The Company has a policy of entering into employment agreements with each of our named executive officers. These employment agreements are described in greater detail in "Executive Employment Agreements."

Other Compensation Practices

Executive Stock Ownership Guidelines and Stock Retention Policy

The Compensation Committee believes that executive stock ownership aligns management's interests with those of shareholders and fosters a long-term outlook, while also assisting in the mitigation of compensation risk. Under our stock ownership guidelines, each executive officer must beneficially own at least the following amounts of the Company's common stock within five years of the executive officer's election or appointment as an executive officer:

- for the CEO, eight times base salary;

- for executive officers who are direct reports of the CEO, three times base salary; and

- for other executive officers who are not direct reports of the CEO, two times base salary.

Stock options and stock appreciation rights ("SARs") do not count towards satisfying the ownership requirements under the guidelines, regardless of their vesting status, and performance shares do not count towards satisfying the ownership requirements until they are vested. Time-based RSUs and restricted stock awards are counted toward the satisfaction of the ownership requirements. The Compensation Committee periodically reviews compliance with the ownership requirements. As of March 16, 2015, all of our named executive officers were in compliance with the ownership requirements, including Mr. Hemsley, who directly owned shares with a value equal to 279 times his base salary.

The Board has established a stock retention policy for executive officers that are subject to Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which includes our named executive officers. Under this policy, Section 16 officers are required to retain for at least one year one-third of the net shares acquired upon the vesting or exercise of any equity awards.

Transactions in Company Securities; Prohibition on Hedging

In general, SEC rules prohibit uncovered short sales of our common stock by our executive officers, including the named executive officers. Accordingly, our insider trading policy prohibits short sales of our common stock by all employees and directors. Our insider trading policy prohibits hedging transactions by all directors, executive officers and employees and requires advance approval of the Compensation Committee of any pledging of common stock by directors, executive officers and other members of management. Pledges that existed prior to the policy's adoption in November 2012 have been grandfathered. In 2014, no executive officer or director sought or received advance approval from the Compensation Committee regarding pledging transactions.

Potential Impact on Compensation from Executive Misconduct/Compensation Clawbacks

If the Board of Directors determines that an executive officer has engaged in fraud or misconduct, the Board of Directors may take a range of actions to remedy the misconduct, prevent its recurrence and impose such discipline as would be appropriate, including, without limit: (i) terminating employment and (ii) initiating legal action against the executive officer. In addition, with respect to our senior executives, including our named executive officers, if the fraud or misconduct causes, in whole or in part, a material restatement of the Company's financial statements, action may include (a) seeking reimbursement of the entire amount of cash incentive compensation awarded to the executive officer, if the executive officer would have received a lower (or no) cash incentive award if calculated based on the restated financial results and (b) canceling all outstanding vested and unvested equity awards subject to the clawback policy and requiring the executive officer to return to the Company all gains from equity awards realized during the 12-month period following the filing of the incorrect financial statements.

The Compensation Committee plans to review our clawback policy and revise it as necessary to comply with any forthcoming SEC rules implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Consideration of Risk in Named Executive Officer Compensation

Our compensation programs are balanced, focused on long-term pay-for-performance, allow for discretion, and are overseen by an independent Compensation Committee. The Compensation Committee believes that the design of the compensation program for our executive officers does not encourage excessive or unnecessary risk-taking, as illustrated by the following list of features:

- Our annual cash bonus program includes a variety of financial and non-financial measures that require substantial performance on a broad range of initiatives;

- Our equity awards include a mix of stock options, RSUs and performance shares to encourage sustained performance over time;

- We have stock ownership guidelines for our executive officers;

Table of Contents

We generally require executive officers to hold, for at least one year, one-third of the net shares acquired upon vesting or exercise of any equity award granted; and

We have a clawback policy that entitles the Board of Directors to seek reimbursement from any executive involved in fraud or misconduct causing a restatement of financials, or violation of certain employment agreement provisions, including any non-compete, non-solicit or confidentiality provisions. The executive would be required to reimburse the Company the entire amount of a bonus paid, not just the amount that would not have been earned had the executive received a lower award based on the restated earnings.

In addition, our Compensation Committee retains discretion to adjust compensation for quality of performance, adherence to Company values and other factors.

Accounting and Tax Considerations

Internal Revenue Code Section 162(m) imposes a $1 million corporate deduction limit for compensation to the Company's CEO and its three other highest-paid executive officers (other than the CFO) employed at the end of the year, unless the compensation is "performance-based," as defined in Section 162(m), and provided under a plan that has been approved by the shareholders. As part of the federal health care reform legislation enacted in 2010, Section 162(m) was revised as it pertains to compensation paid by health insurers, including the Company. Starting in 2013, an annual tax deduction limit of $500,000 per person applies to compensation that we pay to any of our employees and certain service providers, regardless of whether such compensation is deemed performance-based under Section 162(m) or is provided pursuant to a shareholder-approved plan. Any outstanding stock options and SARs that were granted prior to 2010 are not subject to the tax deduction limitation.

Peer Group and Managed Care Companies

Peer Group		Managed Care Companies
3M Company	Hewlett-Packard Company	Aetna Inc.
Abbott Laboratories	Humana Inc.	Anthem Inc.
AbbVie Inc.	International Business Machines Corp.	CIGNA Corp.
Aetna Inc.	Johnson & Johnson	Humana Inc.
American Express Co.	JPMorgan Chase & Co.	
American International Group, Inc.	MasterCard Incorporated	
Ameriprise Financial, Inc.	McKesson Corporation	
AmerisourceBergen Corporation	Medtronic, Inc.	
Amgen Inc.	Merck & Co. Inc.	
Anthem Inc.	MetLife, Inc.	
Bank of America Corporation	Microsoft Corporation	
Berkshire Hathaway Inc.	Morgan Stanley	
Best Buy Co., Inc.	Oracle Corporation	
Biogen Idec Inc.	Pfizer Inc.	
Bristol-Myers Squibb Company	Procter & Gamble Co.	
Cardinal Health, Inc.	Prudential Financial, Inc.	
Cargill, Incorporated	Target Corp.	
Cisco Systems, Inc.	The Allstate Corporation	
Citigroup, Inc.	The Goldman Sachs Group, Inc.	
CVS Health Corporation	The Travelers Companies, Inc.	
Eli Lilly and Company	U.S. Bancorp	
Express Scripts Holding Company	United Parcel Service, Inc.	
FedEx Corporation	Visa, Inc.	
General Electric Company	Walgreen Co.	
General Mills, Inc.	Wells Fargo & Company	
Gilead Sciences Inc.		

Table of Contents

Compensation Committee Report

The Compensation Committee has reviewed and discussed the above Compensation Discussion and Analysis with management. Based on its review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the proxy statement and incorporated by reference into the Company's Annual Report on Form 10-K for the year ended December 31, 2014. This report was provided by the following independent directors who comprise the Compensation Committee:

Rodger A. Lawson (Chair)
William C. Ballard, Jr.
Gail R. Wilensky, Ph.D.

2014 Summary Compensation Table*

The following table provides certain summary information for the years ended December 31, 2014, 2013 and 2012 relating to compensation paid or granted to, or accrued by us on behalf of, our named executive officers.

nd Principal Position	Year	Salary ($)(1)	Bonus ($)	Stock Awards ($)(2)	Option/SAR Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)(5)	All Other Compensation ($)(6)	
n J. Hemsley	2014	1,300,000		7,625,114	1,874,728	3,949,000	(7)	107,479	14,
xecutive Officer	2013	1,300,000		5,625,019	1,875,011	3,100,000		173,254	12,
	2012	1,300,000		7,000,012		5,300,000		287,443	13,
. Wichmann	2014	900,000		6,375,123	1,124,841	3,643,102		99,499	12,
nt and CFO	2013	892,885		3,375,092	1,125,003	2,608,526		114,061	8,
	2012	850,000		4,500,074		3,044,230		106,549	8,
. Renfro	2014	900,000		6,375,123	1,124,841	3,643,102		54,540	12,
airman and CEO,	2013	892,885		3,375,092	1,125,003	3,858,526		49,928	9,
	2012	850,000		4,500,074	37,494	3,044,230		185,006	8,
ne D. Short	2014	750,000		3,250,075	749,909	1,482,981		100,691	6,
ve Vice President	2013	721,154	250,000(8)	3,000,056	1,000,017	990,384		65,744	6,
ef Legal Officer									
Rangen	2014	400,000		750,093	249,985	300,000		41,164	1,
Vice President and									
ccounting Officer									
Boudreaux	2014	900,000		6,375,123	1,124,841	3,000,000		78,720	11,
Executive Vice	2013	892,885		3,375,092	1,125,003	2,008,526		111,282	7,
nt and CEO,	2012	850,000	205,000	4,500,074		3,044,230		103,770	8,
lealthcare									

*

Please see "Compensation Discussion and Analysis" above for a description of our executive compensation program necessary for an understanding of the information disclosed in this table. Please see "Executive Employment Agreements" below for a description of the material terms of each named executive officer's employment agreement.

(1)

Amounts reported reflect the base salary earned by named executive officers in the years ended December 31, 2014, 2013 and 2012. Amounts reported for 2014 include the following salary amounts deferred by the named executive officers under our Executive Savings Plan:

Name	Amount Deferred
Stephen J. Hemsley	$ 78,000
David S. Wichmann	$ 54,000
Larry C. Renfro	$ 54,000
Marianne D. Short	$ 45,000
Eric S. Rangen	$ 24,000
Gail K. Boudreaux	$ 63,000

Table of Contents

(2)

The amounts reported in this column reflect the aggregate grant date fair value of the RSUs and performance shares (at target) granted in 2014, 2013 and 2012 and are computed in accordance with FASB ASC Topic 718, based on the closing stock price on the grant date. The grant date fair value of RSUs granted in 2014 and the grant date fair value of performance shares granted in 2014 if target performance and maximum performance is achieved are as follows:

Name	Restricted Stock Units	Performance Shares Target	Performance Shares Maximum
Stephen J. Hemsley	$ 3,875,071	$ 3,750,043	$ 7,500,086
David S. Wichmann	$ 4,125,055	$ 2,250,068	$ 4,500,136
Larry C. Renfro	$ 4,125,055	$ 2,250,068	$ 4,500,136
Marianne D. Short	$ 1,750,030	$ 1,500,045	$ 3,000,090
Eric S. Rangen	$ 250,054	$ 500,039	$ 1,000,078
Gail K. Boudreaux	$ 4,125,055	$ 2,250,068	$ 4,500,136

See the 2014 Grants of Plan-Based Awards table for more information on stock awards granted in 2014.

(3)

The actual value to be realized by a named executive officer depends upon the performance of the Company's stock and the length of time the award is held. No value will be realized with respect to any award if the Company's stock price does not increase following the award's grant date or if the executive officer does not satisfy the vesting criteria.

The amounts reported in this column for 2014 reflect the aggregate grant date fair value of stock options granted in 2014 computed in accordance with FASB ASC Topic 718. The amount shown for 2012 for Mr. Renfro reflects the incremental increase in fair value with respect to SARs granted in 2009 and 2010, the award agreements for which were amended in 2012 in order to revise the terms pursuant to which Mr. Renfro will be deemed retirement eligible. The grant prices for Mr. Renfro's 2009 and 2010 SARs were not modified in connection with such amendments. For a description of the assumptions used in computing the aggregate grant date fair value, see Note 11 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014. These same assumptions have been used in computing aggregate grant date fair value since fiscal year 2009.

(4)

Amounts reported include both annual and long-term cash incentive awards to our named executive officers under our 2008 Executive Incentive Plan. The 2014 annual incentive awards, including amounts deferred by the named executive officers, were the following:

Name	Total Amount of Annual Cash Incentive Award	Amount of Annual Cash Incentive Award Deferred
Stephen J. Hemsley	$3,000,000	$180,000
David S. Wichmann	$3,000,000	$180,000
Larry C. Renfro	$3,000,000	$180,000
Marianne D. Short	$1,125,000	$337,500
Eric S. Rangen	$300,000	$300,000
Gail K. Boudreaux	$3,000,000	$300,000

The long-term cash incentives for the 2012-2014 incentive period under our 2008 Executive Incentive Plan, including amounts deferred by the named executive officers, were the following:

Name*	Period	Total Amount of Long-Term Cash Incentive Award	Amount of Long-Term Cash Incentive Award Deferred
Stephen J. Hemsley	2012-2014	$949,000	

David S. Wichmann	2012-2014	$643,102	$38,586
Larry C. Renfro	2012-2014	$643,102	
Marianne D. Short	2012-2014	$357,981	
Gail K. Boudreaux	2012-2014		

* Mr. Rangen does not participate in the long-term cash incentive program.

Table of Contents

(5)

Named executive officers participate in our Executive Savings Plan, which is a non-qualified deferred compensation plan. The Executive Savings Plan does not credit above-market earnings or preferential earnings to the amounts deferred, and accordingly, no non-qualified deferred compensation earnings have been reported. Under the Executive Savings Plan, there are no measuring investments tied to Company stock performance. The measuring investments are a collection of unaffiliated mutual funds identified by the Company.

(6)

All other compensation includes the following:

Name	**Year**	**Company Matching Contributions Under 401(k) Savings Plan**	**Company Matching Contributions Under Executive Savings Plan**	**Company Matching Contributions Under Executive Board Service Matching Program[(a)]**	**Insurance Premiums[(b)]**
Stephen J. Hemsley	2014	$11,700	$93,000		
David S. Wichmann	2014	$11,700	$79,500		
Larry C. Renfro	2014	$11,700	$27,000		$15,840
Marianne D. Short	2014	$11,700	$43,151	$30,000	$15,840
Eric S. Rangen	2014	$ 8,135	$20,250	$10,000	
Gail K. Boudreaux	2014	$11,700	$61,500		

As permitted by SEC rules, we have omitted perquisites and other personal benefits that we provided to certain named executive officers in 2014 if the aggregate amount of such compensation to each of such named executive officers was less than $10,000. As noted above, we generally do not provide perquisites.

(a)

The Company has adopted a policy pursuant to which it will match certain charitable contributions made by an executive officer if the executive officer also serves on the board of the charitable organization. The amounts included represent donations to charitable organizations made by the Company under this policy.

(b)

The Company provides each of Messrs. Wichmann and Renfro and Mses. Short and Boudreaux a $2 million face value term life insurance policy. The 2014 annual premiums paid by the Company on behalf of Mr. Wichmann and Ms. Boudreaux were less than $10,000.

(7)

The amount of Mr. Hemsley's supplemental retirement benefit was frozen in 2006 based on his then current age and average base salary and converted into a lump sum of $10,703,229. As such, there was no increase in the benefit payable to Mr. Hemsley under his supplemental retirement benefit in fiscal year 2014.

(8)

Reflects a sign-on bonus paid to Ms. Short in connection with her joining the Company as an executive officer.

Table of Contents

2014 Grants of Plan-Based Awards*

The following table presents information regarding each grant of an award under our compensation plans made during 2014 to our named executive officers for fiscal year 2014.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option/ SAR Awards: Number of Securities Underlying Options/ SARs	Ex or Pr Op S Av
	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)	(#)	($
ey										
ntive Award(2)		2,047,500	2,275,000	4,550,000						
m Incentive Award(3)		3,066	650,000	1,300,000						
rd(4)	2/12/2014								83,918	7
	2/12/2014							26,695		
rd(4)	2/12/2014							28,474		
e Award(4)(5)	2/12/2014				252	53,389	106,778			
nn										
ntive Award(2)		1,215,000	1,350,000	2,700,000						
m Incentive Award(3)		2,461	521,795	1,043,590						
rd(4)	2/12/2014								50,351	7
	2/12/2014							16,017		
rd(4)	2/12/2014							42,711		
e Award(4)(5)	2/12/2014				151	32,034	64,068			
ntive Award(2)		1,215,000	1,350,000	2,700,000						
m Incentive Award(3)		2,461	521,795	1,043,590						
rd(4)	2/12/2014								50,351	7
	2/12/2014							16,017		
rd(4)	2/12/2014							42,711		
e Award(4)(5)	2/12/2014				151	32,034	64,068			
rt										
ntive Award(2)		675,000	750,000	1,500,000						
m Incentive Award(3)		1,854	392,949	785,898						
rd(4)	2/12/2014								33,568	7
	2/12/2014							10,678		
rd(4)	2/12/2014							14,237		
e Award(4)(5)	2/12/2014				101	21,356	42,712			
ntive Award(2)		270,000	300,000	600,000						

rd(4)	2/12/2014								11,190	7
	2/12/2014							3,560		
e Award(4)(5)	2/12/2014				34	7,119	14,238			
ux										
ntive Award(2)		1,215,000	1,350,000	2,700,000						
m Incentive Award(3)		2,123	450,000	900,000						
rd(4)	2/12/2014								50,351	7
	2/12/2014							16,017		
rd(4)	2/12/2014							42,711		
e Award(4)(5)	2/12/2014				151	32,034	64,068			

*

Please see "Compensation Discussion and Analysis" above for a description of our executive compensation program necessary for an understanding of the information disclosed in this table.

(1)

The actual value to be realized by a named executive officer depends upon the appreciation in value of the Company's stock and the length of time the award is held. No value will be realized with respect to any stock option award if the Company's stock price does not increase following the grant date. For a description of the assumptions used in computing grant date fair value for stock option awards pursuant to FASB ASC Topic 718, see Note 11 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014. The grant date fair value of each RSU award and targeted grant date value of each performance share award was computed in accordance with FASB ASC Topic 718 based on the closing stock price on the grant date.

(2)

Amounts represent estimated payouts of annual cash incentive awards granted under our Executive Incentive Plan in 2014. The Executive Incentive Plan permits a maximum annual bonus pool for executive officers equal to 2% of the Company's net income (as defined in the plan) and no executive officer may receive more than 25% of such annual bonus pool. The Compensation Committee has generally limited annual cash incentive payouts to not more than two

Table of Contents

times the target amount, and the maximum amounts shown for each named executive officer equal two times each executive officer's target amount. For Messrs. Wichmann and Renfro and Ms. Boudreaux, the Compensation Committee determined to pay an annual cash incentive award for 2014 of $3,000,000 each (equal to 222% of their target amount) as discussed in the "Compensation Discussion and Analysis" section. In order for any amount to be paid, the Company must achieve approved performance measures of (i) revenue, (ii) operating income, (iii) cash flow, (iv) consumer, customer and physician satisfaction, (v) employee engagement and (vi) employee teamwork. The estimated threshold award represents the amount that may be paid if threshold performance is achieved on each of the performance measures. Once threshold performance is achieved, the Compensation Committee has the discretion to pay an award. The actual annual cash incentive amounts earned in connection with the 2014 awards are reported in the 2014 Summary Compensation Table.

(3) Amounts represent estimated future payouts of long-term cash incentive awards granted under our Executive Incentive Plan in 2014 for the 2014-2016 performance period to be paid in 2017. The Executive Incentive Plan permits a maximum long-term bonus pool for executive officers equal to 2% of the Company's average net income (as defined in the plan) during the performance period and no executive officer may receive more than 25% of such long-term bonus pool. The Compensation Committee has limited the long-term cash incentive payout maximum amount to not more than two times each named executive officer's target amount, which is reflected in the maximum payout column. In 2014, upon recommendation by management, the Compensation Committee approved a cumulative EPS measure and an average ROE measure for the 2014-2016 incentive period, either one of which must be achieved before the threshold amount shown above becomes earned and payable. Each measure is weighted equally. The Compensation Committee will determine whether the goals have been achieved at the end of the performance period. The estimated threshold award represents the amount that may be paid if threshold performance on one of the performance measures is exceeded. Once threshold performance is achieved, the Compensation Committee has the discretion to pay an award ranging from 0% up to a maximum of 200% of target. The estimated threshold, target and maximum awards listed in the table were computed based on participants' estimated average salary over the 2014-2016 performance period. This three year average salary was determined using their actual 2014 salary earned with their current salary used to estimate their 2015 and 2016 salaries.

(4) Amounts represent grants under the 2011 Plan with the terms set forth below. In addition, the RSUs and Special RSUs are eligible to receive dividend equivalents, which are subject to the same terms as the RSUs and will be forfeited if the underlying RSUs do not vest. No dividend equivalents are paid on performance shares.

Award Type and Vesting Terms	**Termination Provisions**
Stock Option Award (4-year ratable vesting)	Unless the executive officer is retirement eligible, award is subject to earlier termination upon certain events related to termination of employment.
	Unvested award will vest in full upon death or disability.
RSU Award (4-year ratable vesting*)	Unvested award will vest in full if, within two years of a change in control, an executive terminates employment for Good Reason or is terminated without Cause (*i.e.*, "double trigger" vesting), as these terms are defined in the award agreement.
Special RSU Award (3-year cliff vesting*)	Award may continue to vest following retirement, if the executive officer is retirement eligible, or over any severance period following termination of employment.
Performance Share Award (4-year ratable vesting)	The target number of performance shares will immediately vest upon a change in control.
	If the executive officer is retirement eligible, upon retirement the full number of performance shares that are earned at the end of the performance period will vest as if the executive officer had been

continuously employed throughout the entire performance period, provided the executive officer had served for at least one year of the performance period.

Upon death, disability or termination of employment for Good Reason or other than for Cause (as these terms are defined in the award agreement), the executive officer will receive at the end of the applicable performance period, a pro rata number of performance shares that are earned based on the number of full months employed plus, if applicable, the number of months for any severance period.

*

Except as provided in footnote 4 to the Outstanding Equity Awards at 2014 Fiscal Year-End table with respect to Mr. Hemsley.

(5)

Amounts represent the estimated future number of performance shares that may be earned under our 2011 Plan at each of the threshold, target and maximum levels. The performance share award will be paid out in shares of Company common stock. The number of performance shares that the executive officer will receive will be determined at the conclusion of the

Table of Contents

2014-2016 performance period and will be dependent upon the Company's achievement of a cumulative EPS measure and an average ROE measure approved by the Compensation Committee. The Compensation Committee has the discretion to reduce the number of performance shares an executive officer is entitled to receive. The estimated threshold award represents the number of performance shares that may be awarded if threshold performance is achieved on one of the performance measures.

Outstanding Equity Awards at 2014 Fiscal Year-End

The following table presents information regarding outstanding equity awards held at the end of fiscal year 2014 by our named executive officers.

	Option/SAR Awards					Stock Awards				
	Date of Option/ SAR Grant	Number of Securities Underlying Unexercised Options/ SARs (#) Exercisable	Number of Securities Underlying Unexercised Options/ SARs (#) Unexercisable	Option/ SAR Exercise/ Grant Price ($)	Option/ SAR Expiration Date(1)	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)(2)	Equity Incentive Plan Awards: Number of Unearned Shares or Units That Have Not Vested (#)	E Inc Av M V Un Sh U T Ha V (
n J. Hemsley	2/12/2014		83,918(3)	70.2400	2/12/2024	2/12/2014	25,900(4)	2,618,231		
	2/6/2013	24,828	74,484(3)	57.3800	2/6/2023	2/12/2014	27,627(5)	2,792,813		
	2/9/2010	114,036		33.0000	2/9/2020	2/12/2014			53,389(6)	5,3
	2/23/2009	169,683		29.7400	2/23/2019	2/6/2013	25,309(4)	2,558,487		
	1/31/2006	200,000		59.4200	1/31/2016	2/6/2013			65,354(6)	6,6
						2/7/2012	23,485(7)	2,374,099		
S. Wichmann	2/12/2014		50,351(3)	70.2400	2/12/2024	2/12/2014	16,279(4)	1,645,644		
	2/6/2013	14,896	44,691(3)	57.3800	2/6/2023	2/12/2014	43,409(5)	4,388,216		
	2/9/2010	76,024		33.0000	2/9/2020	2/12/2014			32,034(6)	3,2
	2/23/2009	113,122		29.7400	2/23/2019	2/6/2013	15,187(4)	1,535,254		
	6/5/2008	203,642		33.9400	6/5/2018	2/6/2013			39,213(6)	3,9
	5/28/2007	25,000		54.4100	5/28/2017	2/7/2012	15,098(7)	1,526,257		
	5/28/2007	150,000		54.4100	5/28/2017	2/9/2011	63,030(8)	6,371,703		
	5/2/2006	150,000		48.5800	5/2/2016					
	10/31/2005	65,000		59.0000	10/31/2015					
	5/2/2005	25,000		49.7886	5/2/2015					
	5/2/2005	75,000		48.3550	5/2/2015					
C. Renfro	2/12/2014		50,351(3)	70.2400	2/12/2024	2/12/2014	16,279(4)	1,645,644		
	2/6/2013	14,896	44,691(3)	57.3800	2/6/2023	2/12/2014	43,409(5)	4,388,216		
						2/12/2014			32,034(6)	3,2
						2/6/2013	15,187(4)	1,535,254		
						2/6/2013			39,213(6)	3,9

						2/7/2012	15,098(7)	1,526,257		
						2/9/2011	63,030(8)	6,371,703		
ne D. Short	2/12/2014		33,568(3)	70.2400	2/12/2024	2/12/2014	10,853(4)	1,097,130		
	2/6/2013	13,241	39,726(3)	57.3800	2/6/2023	2/12/2014	14,470(5)	1,462,772		
						2/12/2014			21,356(6)	2,1
						2/6/2013	26,996(4)	2,729,026		
						2/6/2013			17,428(6)	1,7
Rangen	2/12/2014		11,190(3)	70.2400	2/12/2024	2/12/2014	3,618(4)	365,744		
	2/6/2013		9,932(3)	57.3800	2/6/2023	2/12/2014			7,119(6)	7
						2/6/2013	3,375(4)	341,179		
						2/6/2013			8,714(6)	8
						2/7/2012	3,356(7)	339,258		
Boudreaux	2/12/2014		50,351(3)	70.2400	2/12/2024	2/12/2014	16,279(4)	1,645,644		
	2/6/2013	14,896	44,691(3)	57.3800	2/6/2023	2/12/2014	43,409(5)	4,388,216		
						2/12/2014			32,034(6)	3,2
						2/6/2013	15,187(4)	1,535,254		
						2/6/2013			39,213(6)	3,9
						2/7/2012	15,098(7)	1,526,257		
						2/9/2011	63,030(8)	6,371,703		

(1) The expiration date shown is the latest date that stock options/SARs may be exercised. Stock options/SARs may terminate earlier in certain circumstances, such as in connection with the named executive officer's termination of employment.

Table of Contents

(2) Based on the per share closing market price of our common stock on December 31, 2014 of $101.09.

(3) Vest 25% annually over a four-year period beginning on the first anniversary of the grant date.

(4) Vest 25% annually over a four-year period beginning on the first anniversary of the grant date, other than for retirement eligible executive officers. A portion of a retirement eligible executive officer's award that otherwise would have vested on the next specified vesting date is cancelled to pay applicable FICA taxes owed by the executive officer. The cancellation occurs in the year of grant if the executive officer is retirement eligible during that year or in the first year the executive officer becomes retirement eligible. The remainder of the award vests proportionally over the remaining vesting period. Mr. Hemsley is retirement eligible. These RSUs are eligible to and did receive dividend equivalents converted into additional shares; accordingly, the number of shares shown has been rounded to the nearest whole share. For more information on RSUs cancelled in 2014, please see the 2014 Option Exercises and Stock Vested table.

(5) Vest 100% on February 12, 2017. These RSUs are eligible to and did receive dividend equivalents converted into additional shares; accordingly, the number of shares shown has been rounded to the nearest whole share.

(6) Vest 100% at the end of the three-year performance period. The number of performance shares that the executive officer will receive is dependent upon the achievement of a cumulative EPS measure and an average ROE measure approved by the Compensation Committee. The number of performance shares reported above for grants made in 2014 and 2013 is at the target number established by the Compensation Committee because we currently believe that is the probable outcome of the performance conditions based on the Company's performance through December 31, 2014.

(7) Vest 33 1/3% on December 28, 2012, February 7, 2014 and February 7, 2015, other than for retirement eligible executive officers. A portion of a retirement eligible executive officer's award that otherwise would have vested on the next specified vesting date is cancelled to pay applicable FICA taxes owed by the executive officer. The cancellation occurs in the year of grant if the executive officer is retirement eligible during that year or in the first year the executive officer becomes retirement eligible. The remainder of the award vests proportionally over the remaining vesting period. Mr. Hemsley was retirement eligible on the grant date. These RSUs are eligible to and did receive dividend equivalents converted into additional shares; accordingly, the number of shares shown has been rounded to the nearest whole share.

(8) Vest 100% on the fourth anniversary of the grant date. These RSUs are eligible to and did receive dividend equivalents converted into additional shares; accordingly, the number of shares shown has been rounded to the nearest whole share.

2014 Option Exercises and Stock Vested

The following table presents information regarding the exercise of stock options during fiscal year 2014 by our named executive officers and vesting of restricted stock awards held by our named executive officers for fiscal year 2014.

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)(1)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Stephen J. Hemsley	850,000(2)	45,569,049(3)	171,140(2)	15,199,680(4)(5)
David S. Wichmann			109,154(2)	9,663,882(4)
Larry C. Renfro	168,824	7,563,648(3)	109,154	9,663,882(4)

Marianne D. Short			8,854	627,483[(4)]
Eric S. Rangen	22,316	829,538[(3)]	24,467	2,162,565[(4)]
Gail K. Boudreaux	19,006	818,398[(3)]	109,154	9,663,882[(4)]

(1)
Computed by determining the market value per share of the shares acquired based on the difference between: (a) the per share market value of our common stock at exercise, defined as the closing price on the date of exercise, or the weighted average selling price if same-day sales occurred, and (b) the exercise price of the stock options.

(2)
Messrs. Hemsley and Wichmann retained all shares acquired upon the exercise of stock options and vesting of restricted stock awards during 2014.

Table of Contents

(3)
The value was computed as described in footnote 1 above and was based on the following:

Name	Date of Award	Exercise Date	Number of Options Exercised	Stock Splits Since Date of Award	Market Price at Exercise	Exercise Price
Stephen J. Hemsley	2/3/2005	12/18/2014	450,000	2:1	$ 102.24	$ 45.2800
	2/3/2005	12/18/2014	150,000	2:1	$ 102.24	$ 55.3583
	5/2/2005	12/18/2014	187,500	2:1	$ 102.24	$ 48.3550
	5/2/2005	12/18/2014	62,500	2:1	$ 102.24	$ 57.4183
Larry C. Renfro	2/3/2009	2/25/2014	92,800		$ 76.01	$ 29.7400
	2/9/2010	2/25/2014	76,024		$ 76.01	$ 33.0000
Eric S. Rangen	2/6/2013	2/19/2014	3,310		$ 73.55	$ 57.3800
	2/9/2010	2/19/2014	19,006		$ 73.83	$ 33.0000
Gail K. Boudreaux	2/9/2010	2/27/2014	19,006		$ 76.06	$ 33.0000

(4)
Reflects the vesting of a portion of the RSUs granted. The value realized on vesting was computed based on the following:

Name	Date of Award	Vesting Date	Number of Shares Acquired on Vesting	Market Price at Vesting	Value Realized on Vesting
Stephen J. Hemsley	2/9/2010	2/9/2014	11,363	$ 71.36	$ 810,864
	2/9/2011	2/9/2014	28,941	$ 71.36	$ 2,065,230
	2/7/2012	2/7/2014	23,107	$ 71.36	$ 1,648,916
	2/6/2013	2/6/2014	6,972	$ 70.87	$ 494,106
David S. Wichmann	2/9/2010	2/9/2014	7,576	$ 71.36	$ 540,623
	2/9/2011	2/9/2014	18,605	$ 71.36	$ 1,327,653
	2/7/2012	2/7/2014	14,855	$ 71.36	$ 1,060,053
	2/6/2013	2/6/2014	4,980	$ 70.87	$ 352,933
Larry C. Renfro	2/9/2010	2/9/2014	7,576	$ 71.36	$ 540,623
	2/9/2011	2/9/2014	18,605	$ 71.36	$ 1,327,653
	2/7/2012	2/7/2014	14,855	$ 71.36	$ 1,060,053
	2/6/2013	2/6/2014	4,980	$ 70.87	$ 352,933
Marianne D. Short	2/6/2013	2/6/2014	8,854	$ 70.87	$ 627,483
Eric S. Rangen	2/9/2010	2/9/2014	1,894	$ 71.36	$ 135,156
	2/9/2011	2/9/2014	4,135	$ 71.36	$ 295,074
	2/7/2012	2/7/2014	3,301	$ 71.36	$ 235,559
	2/6/2013	2/6/2014	1,106	$ 70.87	$ 78,382
Gail K. Boudreaux	2/9/2010	2/9/2014	7,576	$ 71.36	$ 540,623
	2/9/2011	2/9/2014	18,605	$ 71.36	$ 1,327,653
	2/7/2012	2/7/2014	14,855	$ 71.36	$ 1,060,053
	2/6/2013	2/6/2014	4,980	$ 70.87	$ 352,933

Also reflects the performance shares earned for the 2012-2014 performance period that ended on December 31, 2014 because performance targets were met. The value shown as realized on December 31, 2014 is based on the number of shares earned for the 2012-2014 performance period using the per share closing market price of our common stock on

Table of Contents

December 31, 2014, although shares were not issued until Compensation Committee certification of results on February 10, 2015:

Name	Date of Award	Performance Period Completion Date	Number of Shares Acquired on Vesting	Market Price at End of Performance Period	Value Realized on Vesting
Stephen J. Hemsley	2/7/2012	12/31/2014	98,213	$ 101.09	$ 9,928,352
David S. Wichmann	2/7/2012	12/31/2014	63,138	$ 101.09	$ 6,382,620
Larry S. Renfro	2/7/2012	12/31/2014	63,138	$ 101.09	$ 6,382,620
Eric S. Rangen	2/7/2012	12/31/2014	14,031	$ 101.09	$ 1,418,394
Gail K. Boudreaux	2/7/2012	12/31/2014	63,138	$ 101.09	$ 6,382,620

(5)
Also reflects the cancellation on December 17, 2014 of 2,544 RSUs granted on February 12, 2014 with a value of $252,212 for the payment of FICA tax liability. The value realized was computed based on a closing stock price of $99.14 on December 17, 2014.

2014 Pension Benefits

The following table presents information regarding the present value of accumulated benefits payable under our non-qualified defined-benefit pension plans covering our named executive officers for fiscal year 2014.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
Stephen J. Hemsley	Individual Agreement for Supplemental Executive Retirement Pay	(1)	10,703,229(1)	
David S. Wichmann	N/A			
Larry C. Renfro	N/A			
Marianne D. Short	N/A			
Eric S. Rangen	N/A			
Gail K. Boudreaux	N/A			

(1)
Upon termination of Mr. Hemsley's employment for any reason, a lump-sum benefit of $10,703,229 will be paid six months and one day after his termination. In the event of Mr. Hemsley's death prior to payment of his entire supplemental retirement benefit, his surviving spouse will receive any unpaid benefit. The dollar amount of this lump sum benefit was frozen in 2006 and will not vary, regardless of Mr. Hemsley's age, years of service or average compensation at the time of his actual termination.

2014 Non-Qualified Deferred Compensation

The following table presents information as of the end of 2014 regarding the non-qualified deferred compensation arrangements for our named executive officers for fiscal year 2014.

Name (a)	Executive Contributions in Last FY ($)(1)(2) (b)	Registrant Contributions in Last FY ($)(1)(3) (c)	Aggregate Earnings in Last FY ($)(4) (d)	Aggregate Withdrawals/ Distributions ($)(5) (e)	Aggregate Balance at Last FYE ($)(5) (f)
Stephen J. Hemsley	186,000	93,000	71,204		9,544,901
David S. Wichmann	159,000	79,500	508,337		4,283,166
Larry C. Renfro	54,000	27,000	16,107		433,423
Marianne D. Short	251,507	43,151	7,925		363,738
Eric S. Rangen	286,708	20,250	335,768		3,628,299
Gail K. Boudreaux	178,000	61,500	83,642		2,048,999

(1) All amounts in these columns have been reported as compensation in the 2014 Summary Compensation Table.

(2) Named executive officers are eligible to participate in our Executive Savings Plan, which is a non-qualified deferred compensation plan. Under the plan, employees may generally defer up to 80% of their eligible annual base salary (100% prior to January 1, 2007) and up to 100% of their annual and long-term cash incentive awards. Amounts deferred, including Company credits, are credited to a bookkeeping account maintained for each participant, and are distributable pursuant to an election made by the participant as to time and form of payment that is made prior to the time of deferral. The Company maintains a Rabbi Trust for the plan. The Company's practice is to set aside amounts in the Rabbi Trust to be used to pay for all benefits under the plan, but the Company is under no obligation to do so except in the event of a change in control.

(3) For the first 6% of the employee's base salary and annual incentive award deferrals under our Executive Savings Plan, the Company provides a matching credit of up to 50% of amounts deferred at the time of each deferral. This matching credit does not apply to deferrals of long-term cash incentive awards or other special incentive awards.

(4) Amounts deferred are credited with earnings from measuring investments selected by the employee from a collection of unaffiliated mutual funds identified by the Company. The Executive Savings Plan does not credit above-market earnings or preferential earnings to amounts deferred. The returns on the mutual funds available to employees during 2014 ranged from 4.17% to 13.79%, with a median return of 4.92% for the year ended December 31, 2014. Employees may change their selection of measuring investments on a daily basis.

(5) Under our Executive Savings Plan, unless an employee in the plan elects to receive distributions during the term of his or her employment with the Company, benefits will be paid no earlier than at the beginning of the year following the employee's termination. However, upon a showing of severe financial hardship, an employee may be allowed to access funds in his or her deferred compensation account earlier. Benefits can be received either as a lump sum payment, in five or ten annual installments, in pre-selected amounts and on pre-selected dates, or a combination thereof. An employee may change his or her election with respect to the timing and form of distribution for such deferrals under certain conditions. However, for deferrals relating to services performed on or after January 1, 2004, employees may not accelerate the timing of the distributions.

(6) This column includes the amounts shown in columns (b) and (c) as well as the following amounts reported in the summary compensation table for prior years:

Name	**Amount Previously Reported**
Stephen J. Hemsley	$6,989,476
David S. Wichmann	$1,521,362
Larry C. Renfro	$ 293,037
Marianne D. Short	$ 266,219
Eric S. Rangen	
Gail K. Boudreaux	$1,190,712

Executive Employment Agreements

We have entered into an employment agreement with each of the named executive officers. The following is a summary of the material terms of those agreements.

Stephen J. Hemsley

On November 7, 2006, the Board of Directors entered into an employment agreement with Mr. Hemsley to serve as CEO. On December 14, 2010, the employment agreement was amended to extend the employment period to December 1, 2014. The employment agreement extends automatically for additional one-year periods after December 1, 2014 unless sooner terminated in accordance with the terms of the employment agreement. During the period of his employment, the Board of Directors will nominate Mr. Hemsley for election to the Board of Directors by the shareholders of the Company.

Under the employment agreement, Mr. Hemsley receives a base salary of $1,300,000, with any increases at the sole discretion of the Compensation Committee and ultimately the independent members of the Board of Directors. The employment agreement does not set any minimum or target level for any bonus or other incentive compensation. All bonus and incentive compensation awards are solely at the discretion of the Compensation Committee. Mr. Hemsley is eligible to participate in the Company's generally available employee benefit programs.

Table of Contents

Upon termination of Mr. Hemsley's employment for any reason, he is entitled to a previously accrued and vested lump sum supplemental retirement benefit of $10,703,229 to be paid six months and one day after his termination.

If Mr. Hemsley's employment is terminated by the Company without Cause, other than upon expiration of the term of the employment agreement, or by Mr. Hemsley for Good Reason, the Company will pay Mr. Hemsley a lump sum in an amount equal to his annual base salary for 12 months.

If Mr. Hemsley's employment is terminated because of his death or permanent disability, the Company will pay him or his beneficiaries a lump sum in an amount equal to two years' total compensation of base salary plus the average bonus for the last two calendar years, excluding any special or one- time bonus or incentive compensation payments.

If Mr. Hemsley's employment is terminated by the Company for Cause, by Mr. Hemsley without Good Reason or because of his retirement or upon expiration of the term of the employment agreement, he will not be entitled to any further compensation from the Company other than earned but unpaid salary and benefits.

As defined in the employment agreement, "Cause" generally means willful and continued failure to perform his duties after written notice and a failure to remedy the deficiency, a violation of the Company's Code of Conduct that is materially detrimental to the Company and is not remedied after written notice, engaging in fraud, material dishonesty or gross misconduct in connection with the Company's business, conviction of a felony or willful and material breach of the employment agreement that is not remedied after written notice. As defined in the employment agreement, "Good Reason" generally means an assignment of duties inconsistent with his position or duties or other diminution of duties, a relocation of primary work location by more than 25 miles, failure by the Board of Directors to elect Mr. Hemsley as CEO, failure by the Board of Directors to nominate Mr. Hemsley to serve on the Board of Directors, the Company's failure to pay or provide Mr. Hemsley's base salary, incentive compensation or other benefits, or any other material breach of Mr. Hemsley's employment agreement that is not remedied.

Pursuant to the employment agreement, Mr. Hemsley is subject to provisions prohibiting his solicitation of the Company's employees and customers or competing with the Company during the term of the employment agreement and the longer of two years following termination or the period that severance payments are made to him under the employment agreement. In addition, he is prohibited at all times from disclosing confidential information related to the Company.

David S. Wichmann, Larry C. Renfro, Marianne D. Short and Eric S. Rangen

Messrs. Wichmann and Renfro and Ms. Short report to the CEO of the Company, and Mr. Rangen reports to the CFO of the Company. Messrs. Wichmann, Renfro and Rangen and Ms. Short receive base salaries with any adjustments at the discretion of the Compensation Committee. These executive officers are eligible to participate in the Company's incentive compensation plans. The target and maximum amount of any actual bonus payable to each executive officer is in the discretion of the Compensation Committee. These executive officers also are eligible to receive stock-based awards in the discretion of the Compensation Committee and to participate in the Company's generally available employee benefit programs. During the term of their respective employment, in addition to the Company's generally available benefits, the Company will provide to Messrs. Wichmann and Renfro and Ms. Short, at the Company's expense, a $2 million face value term life insurance policy. In addition, the executive officers also participate in a long-term disability policy, at the Company's expense, which provides an annual benefit that covers 60% of eligible base salary in the event of a qualifying long-term disability, subject to the terms of the policy.

The employment agreements for Ms. Short and Mr. Rangen also contain provisions for equity awards and bonuses in connection with commencement of employment. In addition, the employment agreement for Mr. Renfro (a) states that for purposes of determining his eligibility for retirement, he will receive two years of service credit for each year he remains employed with the Company after age 59 and (b) clarifies that he will be deemed eligible for retirement if, prior to otherwise becoming eligible for retirement, his employment is terminated by the Company without Cause or he resigns for Good Reason. The employment agreements for

Table of Contents

Messrs. Wichmann and Renfro provide that Messrs. Wichmann and Renfro may use the Company's corporate aircraft for reasonable non-business use provided that they reimburse the Company for the full incremental costs associated with such use.

Each employment agreement and each executive officer's employment may be terminated (a) by mutual agreement (b) by the Company with or without Cause, (c) by the executive officer and (d) upon the executive officer's death or disability that renders him or her incapable of performing the essential functions of his or her job, with or without reasonable accommodation. Messrs. Wichmann and Renfro and Ms. Short may also terminate their employment agreements and employment at any time for Good Reason. If employment of Messrs. Wichmann or Renfro or Ms. Short is terminated by the Company without Cause or by the executive officer for Good Reason, the Company will provide the executive officer with outplacement services consistent with those provided to similarly situated executives and pay the executive officer severance compensation equal to the sum of (a) 200% of his or her annualized base salary as of his or her termination date, (b) 200% of the average of his or her last two calendar year bonuses, excluding any equity awards and any special or one-time bonus or incentive compensation payments, and (c) $12,000 to offset the costs of benefit continuation coverage. The employment agreement for Mr. Rangen provides that if his employment is terminated by the Company without Cause, the Company will provide him with outplacement services consistent with those provided to similarly situated executives and pay severance compensation equal to the sum of (a) his annualized base salary as of his termination date, (b) the average of his last two calendar year bonuses, excluding any equity awards, payments under any long-term or similar benefit plan and any special or one-time bonus or incentive compensation payments, and (c) $5,000 to offset the costs of benefit continuation coverage. The severance compensation will be payable over a 24-month period for Mr. Wichmann and Ms. Short and will be payable over a 12-month period for Messrs. Renfro and Rangen.

For purposes of each applicable employment agreement, "Cause" generally means (a) material failure to follow the Company's reasonable direction or to perform any duties reasonably required on material matters, (b) a material violation of, or failure to act upon or report known or suspected violations of, the Company's Code of Conduct, (c) conviction of a felony, commission of any criminal, fraudulent or dishonest act or any conduct that is materially detrimental to the interests of the Company, or (d) material breach of the employment agreement. The employment agreements for Messrs. Wichmann and Renfro and Ms. Short provide that the Company will, within 120 days of the discovery of the conduct constituting Cause, give the executive officer written notice specifying in reasonable detail the conduct constituting Cause and the executive officer will have 60 days to remedy the conduct, if the conduct is reasonably capable of being remedied and that in any instance where the Company may have grounds for Cause, failure by the Company to provide written notice of the grounds for Cause within 120 days of discovery will be a waiver of its right to assert the subject conduct as a basis for termination for Cause.

For purposes of each applicable employment agreement, "Good Reason" will generally exist if the Company (a) reduces the executive officer's base salary or long- or short-term target bonus percentage other than in connection with a general reduction affecting a group of similarly situated employees, (b) moves the executive officer's primary work location more than 50 miles, (c) makes changes that substantially diminish the executive officer's duties or responsibilities, or (d) changes the executive officer's reporting relationship (except that "Good Reason" will also exist for Mr. Renfro if the Company makes a change so that he no longer holds the positions of Vice Chair of the Company and CEO of Optum, Inc. or other equivalent positions). The employment agreement provides that the executive officer must give the Company written notice specifying in reasonable detail the circumstances constituting Good Reason within 120 days of becoming aware of the circumstances, or those circumstances will not constitute Good Reason. If the circumstances constituting Good Reason are reasonably capable of being remedied, the Company will have 60 days to remedy the circumstances.

Pursuant to their respective employment agreements, each executive officer is prohibited at all times from disclosing confidential information related to the Company. Each executive officer is subject to provisions prohibiting his or her solicitation of the Company's employees or competing with the Company during the term of the employment agreement and for two years following termination for any reason, except Mr. Rangen's prohibitions extend for one year following termination for any reason.

Table of Contents

Potential Payments Upon Termination or Change in Control

The following table describes the potential payments to named executive officers upon termination of employment or a change in control of the Company as of December 31, 2014. Amounts are calculated based on the benefits available to the named executive officers under existing plans and arrangements, including each of their employment agreements described under "Executive Employment Agreements."

	For Good Reason or Not For Cause ($)	Death ($)	Disability ($)	Retirement ($)	Change In Control ($)
Stephen J. Hemsley					
Cash Payments	1,300,000	8,400,000	8,400,000		
Annual Cash Incentive(1)		4,550,000	4,550,000	4,550,000	
Long-Term Cash Incentive(2)		1,300,000	1,300,000	1,300,000	1,300,000
SERP	10,703,229	10,703,229	10,703,229	10,703,229	10,703,229
Insurance Benefits			420,000		
Acceleration of Equity(3)	28,191,891	22,391,752	22,391,752	28,191,891	28,191,891
Total(4)	40,195,120	47,344,981	47,764,981	44,745,120	40,195,120
David S. Wichmann					
Cash Payments	5,812,000				
Annual Cash Incentive(1)		2,700,000	2,700,000	2,700,000	
Long-Term Cash Incentive(2)		898,419	898,419	898,419	898,419
Insurance Benefits		2,000,000	420,000		
Acceleration of Equity(3)	19,025,498	22,695,865	22,695,865		26,176,090
Total(4)	24,837,498	28,294,284	26,714,284	3,598,419	27,074,509
Larry C. Renfro					
Cash Payments	7,066,614				
Annual Cash Incentive(1)		2,700,000	2,700,000	2,700,000	
Long-Term Cash Incentive(2)		898,419	898,419	898,419	898,419
Insurance Benefits		2,000,000	540,000		
Acceleration of Equity(3)	26,176,090	22,695,865	22,695,865		26,176,090
Total(4)	33,242,704	28,294,284	26,834,284	3,598,419	27,074,509
Marianne D. Short					
Cash Payments	3,012,000				
Annual Cash Incentive(1)		1,500,000	1,500,000	1,500,000	
Long-Term Cash Incentive(2)		743,589	743,589	743,589	743,589
Insurance Benefits		2,000,000	420,000		
Acceleration of Equity(3)	7,244,431	9,955,110	9,955,110		11,981,560
Total(4)	10,256,431	14,198,699	12,618,699	2,243,589	12,725,149
Eric S. Rangen					
Cash Payments	742,500				
Annual Cash Incentive(1)		600,000	600,000	600,000	
Long-Term Cash Incentive(2)					
Insurance Benefits			240,000		
Acceleration of Equity(3)	2,136,104	2,652,710	2,652,710		3,426,049
Total(4)	2,878,604	3,252,710	3,492,710	600,000	3,426,049

Gail K. Boudreaux	
Cash Payments	5,212,000
Annual Cash Incentive(1)	
Long-Term Cash Incentive(2)	
Insurance Benefits	
Acceleration of Equity(3)	19,025,498
Total(4)	24,237,498

(1) Represents the maximum amount the Compensation Committee may in its discretion determine, but is not required, to pay the executive officer (or the executive officer's estate, if applicable) based upon a pro-rated portion of the award that the executive officer would have received but for the death, disability or retirement, calculated at the achievement of the

Table of Contents

maximum performance target, as more fully described in footnote 2 to the 2014 Grants of Plan-Based Awards table. For the purposes of this table, the potential amounts have not been pro-rated because the table assumes a death, disability or retirement as of December 31, 2014.

(2)

With respect to "Death," "Disability" and "Retirement," represents the maximum amount the Compensation Committee may in its discretion determine, but is not required, to pay the executive officer (or the executive officer's estate, if applicable) based upon the portion of the incentive periods the executive officer served prior to death, disability or retirement and measurement of Company and executive performance based on performance through the end of the fiscal year of the Company which ends closest to the executive officer's date of death, disability or retirement, calculated at the achievement of the maximum performance target, as more fully described in footnote 3 to the 2014 Grants of Plan-Based Awards table. With respect to "Change in Control," represents the amount payable by the Company or its successor to each executive officer (or to be credited to the named executive officer's account in the Company's Executive Savings Plan if a timely deferral election is in effect), which is a pro-rated portion of the maximum long-term cash incentive award for which the executive officer is eligible for the 2013-2015 and 2014-2016 performance periods.

(3)

Represents the (i) unvested RSUs multiplied by the closing stock price on December 31, 2014 ($101.09), (ii) intrinsic value of the unvested stock options, which is calculated based on the difference between the closing price of our stock on December 31, 2014 ($101.09) and the exercise or grant price of the unvested stock options as of that date, and (iii) the number of performance shares earned if target performance is achieved multiplied by the closing stock price on December 31, 2014 ($101.09). If maximum performance is achieved for the performance shares, the amounts for Acceleration of Equity would be (a) for "For Good Reason or Not for Cause," $40,195,621 for Mr. Hemsley; $26,227,857 each for Mr. Wichmann and Ms. Boudreaux; $33,378,450 for Mr. Renfro; $10,445,547 for Ms. Short; and $3,496,775 for Mr. Rangen; (b) for "Death" and "Disability," $28,595,342 for Mr. Hemsley; $26,417,999 each for Messrs. Wichmann and Renfro; $11,849,334 for Ms. Short; and $3,479,930 for Mr. Rangen; (c) for "Retirement," $40,195,621 for Mr. Hemsley; and (d) for "Change in Control," $40,195,621 for Mr. Hemsley; $33,378,450 each for Messrs. Wichmann and Renfro; $15,902,234 for Ms. Short; and $5,026,607 for Mr. Rangen.

For "For Good Reason or Not for Cause," the amount includes the value of unvested equity awards held by the named executive officer that will not immediately vest upon termination but will continue to vest through any applicable severance. For "Retirement," the amount includes the value of certain unvested equity awards granted in 2013 and 2014 that will continue to vest and be exercisable for a period of five years (but not after the award's expiration date). The value of the awards that will not immediately vest is based on their intrinsic values on December 31, 2014. However, because these awards would continue to vest after termination of employment or retirement, the actual value the named executive officer would receive is not determinable. At December 31, 2014, Mr. Hemsley had met the retirement eligibility provisions. Mr. Renfro's employment agreement provides that he will be deemed retirement eligible if he terminates employment for Good Reason or his employment is terminated by the Company without Cause.

(4)

Does not include value of benefits, plans or arrangements that would be paid or available following termination of employment that do not discriminate in scope, terms or operation in favor of our executive officers and that are generally available to all salaried employees or accrued balances under any non-qualified deferred compensation plan that is described above.

PROPOSAL 2 ADVISORY APPROVAL OF THE COMPANY'S EXECUTIVE COMPENSATION

The Board of Directors recognizes the significant interest of shareholders in executive compensation matters. As required by the Exchange Act, we are seeking shareholders' views on our executive compensation philosophy and practices through an advisory vote on the following resolution at the Annual Meeting:

"Resolved, that the shareholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the compensation tables and the related narrative disclosures."

The Compensation Discussion and Analysis, the compensation tables and the related narrative disclosures appear on pages 18-46 of this proxy statement.

As discussed in the Compensation Discussion and Analysis, the Board of Directors believes that our executive compensation program attracts and retains highly qualified executives while linking executive compensation directly to Company-wide performance. In deciding how to vote on this proposal, the Board of

Table of Contents

Directors asks you to consider the key points with regard to our executive compensation program included in the "Executive Summary" section on pages 17-18 of this proxy statement.

This advisory proposal, commonly referred to as a "say-on-pay" proposal, is not binding on the Board of Directors. Although the voting results are not binding, the Board and the Compensation Committee will review and consider them when evaluating our executive compensation program. More than 97% of the votes cast were in favor of our executive compensation program at each of our annual meetings since our inaugural vote in 2011. The next say-on-pay advisory vote will occur at our 2016 Annual Meeting of Shareholders. The next advisory vote regarding the frequency of say-on-pay votes will also occur at our 2016 Annual Meeting of Shareholders.

In addition to our annual advisory vote to approve the Company's executive compensation, we are committed to ongoing engagement with our shareholders on executive compensation and corporate governance issues. These engagement efforts take place throughout the year where appropriate through meetings, telephone calls and correspondence involving our senior management, directors and representatives of our shareholders.

For these reasons, the Board of Directors recommends that you vote FOR approval of the compensation of the named executive officers, as disclosed in this proxy statement. Executed proxies will be voted FOR approval of the compensation of the named executive officers unless you specify otherwise.

DIRECTOR COMPENSATION

Our director compensation and benefit program is designed to compensate our non-employee directors fairly for work required for a company of our size and scope and to align their interests with the long-term interests of our shareholders. Director compensation reflects our desire to attract, retain and use the expertise of highly qualified people serving on the Company's Board of Directors. The Compensation Committee reviews the compensation level of our non-employee directors on an annual basis and makes recommendations to the Board of Directors. In August 2014, the Compensation Committee, with the advice of its independent compensation consultant, undertook an annual review of the structure and philosophy of the director compensation program. This review analyzed the structure and the overall level and mix of compensation delivered by the Company's director compensation program as compared to the Company's general industry peer group and also the four large managed health care companies. Following this review, the Compensation Committee recommended, and the Board approved, an increase effective as of October 1, 2014 to the annual cash retainer paid to the chair of the Compensation Committee from $15,000 to $20,000 and the elimination of the one-time deferred stock unit grants made to new directors. The Compensation Committee's recommendations, and the Board's subsequent approval, were made after considering the results of the market practices review, the complexity of the Company's structure and operations, and the time and effort required to discharge the Committee Chair's duties.

The following table highlights the material elements of our director compensation program:

Compensation Element	Compensation Value
Annual Cash Retainer	$125,000
Annual Audit Committee Chair Cash Retainer	$ 25,000
Annual Compensation Committee Chair Cash Retainer	$ 20,000
Annual Nominating Committee Chair Cash Retainer	$ 15,000
Annual Public Policy Committee Chair Cash Retainer	$ 15,000
Annual Board Chair Cash Retainer	$300,000
Annual Equity Award	$150,000 aggregate fair value of deferred stock units
Equity Conversion Program	Cash compensation converted into deferred stock units at the director's election

Table of Contents

Cash Compensation

Director cash compensation is payable on a quarterly basis in arrears and prorated if the director did not serve the entire quarter. Directors may elect to convert cash compensation into equity or defer receipt of the cash compensation to a later date.

Equity-Based Compensation

Non-employee directors receive grants of deferred stock units under the 2011 Plan. To continue to align the interests of directors with the long-term interests of our shareholders, each director is required to retain all deferred stock units granted until completion of his or her service on the Board of Directors. Upon completion of service, the deferred stock units convert to an equal number of shares of the Company's common stock. A director may defer receipt of the shares for up to ten years after completion of service.

Annual Equity Award

Non-employee directors receive an annual grant of deferred stock units having an annual aggregate fair value of $150,000. This grant is in consideration of general service and responsibilities and required meeting preparation. The grants are issued quarterly in arrears on the first business day following the end of each fiscal quarter and prorated if the director did not serve the entire quarter. The number of deferred stock units granted is determined by dividing $37,500 (the quarterly value of the annual equity award) by the closing stock price on the grant date, rounded up to the nearest share. These awards are vested immediately upon grant and must be held until the director's completion of his or her service on the Board of Directors.

Deferred Stock Unit Dividends

The Company pays dividend equivalents in the form of additional deferred stock units on all outstanding deferred stock units. Dividend equivalents are paid at the same rate and at the same time that dividends are paid to Company shareholders. The dividend equivalents are subject to the same vesting conditions as the underlying grant and must be held until the director's completion of his or her service on the Board of Directors.

Stock Ownership Guidelines

Under our stock ownership guidelines, we require non-employee directors to achieve ownership of shares of the Company's common stock (excluding stock options, but including vested deferred stock units and vested restricted stock units) having a fair market value equal to five times the directors' annual base cash retainer. Non-employee directors must comply with the stock ownership guidelines within five years of their appointment to the Board of Directors, other than directors serving when we last revised the guidelines in August 2010, who must comply with the new stock ownership guidelines by August 2015. All of our non-employee directors have met the stock ownership requirement.

Other Compensation

We reimburse directors for any out-of-pocket expenses incurred in connection with service as a director. We also provide health care coverage to directors but only if the director is not eligible for coverage under another group health care benefit program. Health care coverage is provided generally on the same terms and conditions as current employees. Upon retirement from the Board of Directors, current directors may continue to obtain health care coverage under benefit continuation coverage, and after the lapse of such coverage, under the Company's post-employment medical plan for up to a total of 96 months if they are otherwise eligible.

The Company maintains a program through which it will match up to $15,000 of charitable donations made by each director for each calendar year. The directors do not receive any financial benefit from this program because the charitable income tax deductions accrue solely to the Company. Donations under the program may not be made to family trusts, partnerships or similar organizations.

Our corporate aircraft use policy prohibits personal use of corporate aircraft by any director. Because there is essentially no incremental cost to the Company, however, the policy does permit a director's family member to accompany the director on a business flight on Company aircraft provided a seat is available.

Table of Contents

Equity Conversion Program

Directors may elect to convert any or all director cash compensation earned into deferred stock units, which must be held until completion of his or her service on the Board. The conversion grants are made on the day the eligible cash compensation becomes payable to the director and immediately vest upon grant. If a director elects to convert his or her cash compensation into deferred stock units, he or she receives the number of deferred stock units equal to the cash compensation foregone, divided by the closing price of our common stock on the date of grant, rounded up to the nearest share.

Cash Deferral Plan

Under our Directors' Compensation Deferral Plan ("Director Deferral Plan"), non-employee directors may elect annually to defer receipt of all or a percentage of their cash compensation. Amounts deferred are credited to a bookkeeping account maintained for each director participant that uses a collection of unaffiliated mutual funds as measuring investments. Subject to certain additional rules set forth in the Director Deferral Plan, a participating director may elect to receive the distribution in one of the following ways:

- an immediate lump sum upon the completion of his or her service on the Board of Directors;
- a series of five or ten annual installments following the completion of his or her service on the Board of Directors;
- a delayed lump sum following either the fifth or tenth anniversary of the completion of his or her service on the Board of Directors; or
- pre-selected amounts to be distributed on pre-selected dates while the director remains a member of the Board of Directors.

2014 Director Compensation Table

The following table provides summary information for the year ended December 31, 2014 relating to compensation paid to or accrued by us on behalf of our non-employee directors who served in this capacity during 2014. Mr. Hemsley and Dr. Bueno are employee directors and do not receive additional compensation for serving as a director.

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)(4)	All Other Compensation ($)(5)	Total ($)
William C. Ballard, Jr.	125,000	150,097			18,000	293,097
Richard T. Burke	425,000	150,097			23,736	598,833
Robert J. Darretta	125,000	150,123			3,000	278,123
Michele J. Hooper	140,000	150,097			18,490	308,587
Rodger A. Lawson	140,000	150,097			23,679	313,776
Douglas W. Leatherdale	125,000	150,097			3,000	278,097

Glenn M. Renwick	147,500	150,351	18,000	315,851
Kenneth I. Shine, M.D.	125,000	150,097	16,500	291,597
Gail R. Wilensky, Ph.D.	140,000	150,097	18,000	308,097

(1) Mr. Darretta and Mr. Renwick elected to convert 2014 cash compensation into 1,551 and 1,861 deferred stock units, respectively. Mr. Leatherdale elected to defer all 2014 cash compensation under the Director Deferral Plan.

Table of Contents

(2)

The amounts reported reflect the aggregate grant date fair value of the stock awards granted in 2014 computed in accordance with FASB ASC Topic 718, based on the closing stock price on the grant date. The amounts reported include for each director the aggregate grant date fair value of the annual equity award of deferred stock units granted in quarterly installments. The amounts reflect the value of fractional shares issued with the quarterly installments as we round grants of deferred stock units up to the nearest whole share. For Messrs. Darretta and Renwick, we combined the cash compensation they elected to convert into deferred stock units on a quarterly basis and the value of the quarterly deferred stock unit grant prior to determining the number of deferred stock units to be granted each quarter.

The aggregate grant date fair values of the stock awards granted in 2014 (including, for Messrs. Darretta and Renwick, the deferred stock units issued in lieu of cash compensation) computed in accordance with FASB ASC Topic 718, based on the closing stock price on the grant date, are as follows:

Name	January 2, 2014 ($)	April 1, 2014 ($)	July 1, 2014 ($)	October 1, 2014 ($)
William C. Ballard, Jr.	37,509	37,565	37,506	37,517
Richard T. Burke	37,509	37,565	37,506	37,517
Robert J. Darretta*	68,754	68,828	68,788	68,753
Michele J. Hooper	37,509	37,565	37,506	37,517
Rodger A. Lawson	37,509	37,565	37,506	37,517
Douglas W. Leatherdale	37,509	37,565	37,506	37,517
Glenn M. Renwick*	72,557	77,748	75,012	75,034
Kenneth I. Shine, M.D.	37,509	37,565	37,506	37,517
Gail R. Wilensky, Ph.D.	37,509	37,565	37,506	37,517

*

Includes the value of deferred stock units issued upon conversion of annual cash retainer as described in footnote 1 above of $125,000 for Mr. Darretta and $150,000 for Mr. Renwick.

As of December 31, 2014, our non-employee directors held outstanding deferred stock unit awards as follows:

Name	Deferred Stock Units
William C. Ballard, Jr.	17,474
Richard T. Burke	17,474
Robert J. Darretta	32,736
Michele J. Hooper	23,748
Rodger A. Lawson	15,975
Douglas W. Leatherdale	17,474
Glenn M. Renwick	33,367
Kenneth I. Shine, M.D.	25,773
Gail R. Wilensky, Ph.D.	17,474

(3)

The Company did not grant stock option awards to directors in 2014. As of December 31, 2014, our non-employee directors held outstanding (and unexercised) stock option awards as follows: Mr. Ballard 113,000 stock options; Mr. Burke 131,140 stock options; Mr. Darretta 56,621 stock options; Ms. Hooper 35,000 stock options; Mr. Leatherdale 101,750 stock options; Mr. Renwick 33,929 stock options; Dr. Shine 1,250 stock options; and Dr. Wilensky 122,620 stock options.

(4)

The Director Deferral Plan does not credit above-market earnings or preferential earnings to the amounts deferred. There are no measuring investments tied to Company stock performance. The measuring investments are a collection of unaffiliated mutual funds identified by the Company.

(5) In 2014, the Company matched charitable contributions made by directors to charitable organizations selected by directors pursuant to the Company's Board Matching Program as follows: Mr. Ballard $15,000; Mr. Burke $15,000; Ms. Hooper $15,000; Mr. Lawson $15,000; Mr. Renwick $15,000; Dr. Shine $13,500; and Dr. Wilensky $15,000. In 2014, the Company also made a $3,000 contribution to a charitable organization selected by each director in lieu of 2013 holiday gifts. We also paid $5,736, $490 and $5,679 in health care premiums on behalf of Mr. Burke, Ms. Hooper and Mr. Lawson, respectively.

PROPOSAL 3 APPROVAL OF AMENDMENTS TO 2011 STOCK INCENTIVE PLAN

On February 10, 2015, the Board of Directors approved, subject to shareholder approval, certain amendments (the "Plan Amendments") to the UnitedHealth Group Incorporated 2011 Stock Incentive Plan (the "2011 Plan"). If approved by our shareholders, the Plan Amendments would:

- Increase the number of shares authorized for issuance under the 2011 Plan by 70,000,000 shares;
- Provide that, with respect to any awards other than stock options and SARs granted after shareholder approval of the Plan Amendments, the number of shares available for awards will be reduced by 2.50 shares for each share covered by such award or to which such award relates; and
- Eliminate the 41,332,237 share limit in the 2011 Plan with respect to the number of shares that may be used for awards other than stock options and SARs.

As of March 31, 2015, 15,208,283 shares remained available for future awards under the 2011 Plan.

The 2011 Plan was approved by our shareholders on May 23, 2011. The purpose of the 2011 Plan is to aid in attracting and retaining employees, management and members of the Board of Directors. The Company desires to motivate them to put forth maximum efforts for the success of the business. The purpose of the Plan Amendments is to permit the Company to continue to grant awards under the 2011 Plan beyond when the currently authorized shares have been exhausted, and to more accurately reflect, in the method of counting awards against authorized shares, the relative value of options and SARs, on the one hand, and full value awards such as restricted shares on the other.

Summary of the 2011 Plan

A copy of the 2011 Plan, as amended and restated by the Plan Amendments, is attached as Appendix A to this proxy statement. The following summary of the material terms of the 2011 Plan as amended by the Plan Amendments is qualified in its entirety by reference to the full text of the 2011 Plan, as amended.

Key Provisions	Description
Effective Date	The 2011 Plan became effective on May 23, 2011, the date of shareholder approval of the 2011 Plan. The Plan Amendments will become effective upon shareholder approval.
Plan Administration	The Compensation Committee will determine who receives awards, the types and amounts of awards, and the terms and conditions of awards.
Eligible Participants	All employees, officers and directors are eligible to receive equity awards in exchange for their service to the Company. In 2014, actual employee eligibility was limited to 13,229 employees in senior and middle management positions, 23% of whom received awards in 2014. Individual consultants or independent contractors providing services to the Company also are eligible for awards in exchange for their service to the Company. In 2014, no individual consultants or independent contractors received awards.
Plan Duration	No new awards may be granted more than ten years after February 9, 2011, the date the 2011 Plan was approved by the Board of Directors. The term of individual awards may extend beyond this date.
Award Types	Stock options, SARs, performance awards, restricted stock, restricted stock units and other equity-based awards.
Limit on the Amount of Each Type of Award	Special full value awards are limited to 5% of the aggregate number of shares available for grant under the 2011 Plan. Awards to non-employee directors do not count against the limitation on special full value awards. Incentive stock options are limited to 25,000,000 shares.

Table of Contents

Key Provisions	Description
Shares Added Back to the Plan	Shares that are forfeited or subject to awards that terminate without any shares being issued will be available again for grant.
Limit on Amount of Awards to One Person	No individual may be granted options and SARs in any one calendar year with respect to more than 5,000,000 shares.
Counting of Shares	With respect to options, SARs and any awards other than options and SARs that were granted prior to the Annual Meeting, the number of shares available for awards under the 2011 Plan will be reduced by one share for each share covered by such award or to which such award relates. If the Plan Amendments are approved, for any awards other than options and SARs that are granted after the Annual Meeting, the number of shares available for awards under the 2011 Plan will be reduced by 2.5 shares for each share covered by such award or to which such award relates.
Terms of Stock Options and SARs	The exercise or grant price of stock options and SARs must not be less than the fair market value of the common stock on the grant date. The term of awards may not exceed ten years.
Minimum Vesting Provisions	Awards without a performance vesting condition may not vest in full until three or more years from the grant date. Awards with a performance vesting condition may not vest in full until one year or more from the grant date.
Terms of Performance Awards	Awards with a performance vesting condition may be denominated or payable in cash, shares of Company common stock, other Company securities, other awards or otherwise as determined by the Compensation Committee. Payouts of these awards will be conditioned upon the achievement of performance goals during performance periods that are determined by the Compensation Committee.
Performance Goals for Performance Awards	The Compensation Committee will establish performance goals for performance awards based on one or more of the following business criteria: earnings per share; cash flow; stock price; total shareholder return; gross revenue; revenue growth; operating income (before or after taxes); net earnings (before or after interest, taxes, depreciation and/or amortization); return on equity, return on invested capital, assets, or net investment; or cost containment or reduction. The Compensation Committee may adjust performance goals to mitigate the unbudgeted impact of material, unusual or nonrecurring gains and losses, accounting changes or other extraordinary events that are not foreseen at the time the goals were set, unless the Compensation Committee provides otherwise at the time of establishing the performance goals.
Special Full Value Awards	The Compensation Committee also may grant other awards that are denominated in or otherwise relate to the Company's common stock and establish the terms and conditions of such awards. For example, the Compensation Committee may grant restricted stock or restricted stock units that do not satisfy the minimum vesting conditions described above. These awards are limited to 5% of the aggregate number of shares available for grant under the 2011 Plan.

Table of Contents

Key Provisions	Description
Non-Employee Director Awards	The Compensation Committee may grant all types of awards to non-employee directors, though no awards will count against the limitation on the amount of special full value awards. Currently, non-employee directors receive grants of deferred stock units with an annual fair value of $150,000 which must be held until departure from the Board.
Acceleration of Vesting	The Compensation Committee has discretion to accelerate vesting of equity awards. If such acceleration reduces the vesting period of restricted stock or restricted stock units to less than the minimum vesting period specified in the 2011 Plan, then such awards would count as special full value awards.
Transferability of Awards	Generally, awards may be transferred only upon death or pursuant to a domestic relations order. The Compensation Committee, however, may allow for other transfers of awards, except in the case of incentive stock options.
Double-Trigger Vesting	In the event of a corporate transaction (for example, a merger) where the Company does not survive, the vesting of any outstanding awards will generally occur in accordance with the terms of the equity award agreement. The Company's equity award agreements with time-based vesting features include a "double-trigger" provision, which provides for accelerated vesting only if there is a change in control and the participant's employment is terminated without "Cause" or the participant terminates his or her employment for "Good Reason."
Clawback Policy	Awards under the 2011 Plan will be subject to the Company's recoupment, clawback or similar policy as in effect from time to time, as well as similar provisions of applicable law. These policies may require repayment or forfeiture of awards and payouts under certain circumstances. The Company's current clawback policy is discussed under "Potential Impact on Compensation from Executive Misconduct/Compensation Clawbacks" in this proxy statement.
Adjustments	In the event of certain capitalization changes (for example, a stock split), the Compensation Committee will adjust equitably the number of shares available for grant under the 2011 Plan, the number of shares subject to outstanding awards, and purchase or exercise prices.
Amendment and Termination of the Plan	The Board may terminate the 2011 Plan at any time. The Board may also amend the 2011 Plan at any time but cannot, without prior approval of shareholders: materially increase benefits accruing to participants; materially increase the number of shares that may be issued under the 2011 Plan; materially modify the requirements for participation under the 2011 Plan; or make any change to the 2011 Plan where shareholder approval is required under applicable law, stock exchange rules or, under applicable tax law to preserve the intended tax consequences of the 2011 Plan.
Amendment of Awards	The Compensation Committee generally may amend awards or waive conditions to awards, including acceleration of vesting or exercisability in limited circumstances. No amendment, however, may materially adversely affect the holder of an award without that holder's consent. In addition, the Compensation Committee may not reprice options or SARs, or exchange them for cash or new awards with a lower exercise price without shareholder approval.

Table of Contents

Key Provisions	Description
No Limit on Other Authority	The 2011 Plan does not limit the authority of the Board of Directors or any committee to grant awards or authorize any other compensation, with or without reference to the Company's common stock, under any other plan or authority.
Shares Subject to the Plan	238,103,375 shares of common stock, which include the 70,000,000 additional shares covered by the Plan Amendments.

U.S. Tax Treatment of Plan Awards

The U.S. federal income tax consequences of the 2011 Plan under current federal law, which is subject to change, are summarized in the following discussion of the general tax principles applicable to the 2011 Plan. This summary is not intended to be exhaustive and, among other considerations, does not describe the deferred compensation provisions of Section 409A of the U.S. Internal Revenue Code to the extent an award is subject to and does not satisfy those rules, nor does it describe state, local or international tax consequences.

Non-Qualified Stock Options	With respect to non-qualified stock options, the Company is generally entitled to deduct and the award holder recognizes taxable income in an amount equal to the difference between the option exercise price and the fair market value of the shares at the time of exercise.
Incentive Stock Options	With respect to incentive stock options, the Company is generally not entitled to a deduction and the award holder does not recognize income at the time of exercise, though the award holder may be subject to the U.S. federal alternative minimum tax.
Other Awards	The current federal income tax consequences of other awards authorized under the 2011 Plan generally follow certain basic patterns: nontransferable restricted stock subject to a substantial risk of forfeiture results in income recognition equal to the excess of the fair market value over the price paid (if any) only at the time the restrictions lapse (unless the recipient elects to accelerate recognition as of the date of grant); SARs, cash and stock-based performance awards, dividend equivalents, restricted stock units, and other types of awards are generally subject to tax at the time of payment; and compensation otherwise effectively deferred is taxed when paid. In each of the foregoing cases, the Company will generally have a corresponding deduction at the time the participant recognizes income.
Limitations on Tax Deductions	If an award is accelerated under the 2011 Plan in connection with a "change in control" (as that term is used under the U.S. Internal Revenue Code), the Company may not be permitted to deduct the portion of the compensation attributable to the acceleration ("parachute payments") if it exceeds certain threshold limits under the U.S. Internal Revenue Code (and certain related excise taxes may be triggered). Furthermore, the aggregate compensation in excess of $1,000,000 attributable to awards that are not "performance-based" within the meaning of Section 162(m) of the U.S. Internal Revenue Code may not be permitted to be deducted by the Company in certain circumstances. As part of the health care legislation enacted in 2010, Section 162(m) was revised as it pertains to compensation paid by health insurers, including the Company. Since 2013, an annual tax deduction limit of $500,000 per person has applied to compensation that we pay to any of our employees and certain service providers. The tax deduction limitation applies whether or not compensation is performance-based or is being provided pursuant to a shareholder-approved plan.

Table of Contents

New Plan Benefits

No awards made under the 2011 Plan prior to the date of the Annual Meeting were subject to shareholder approval of the Plan Amendments. The number and types of awards that will be granted under the 2011 Plan in the future are not determinable, as the Compensation Committee will make these determinations in its sole discretion. The following table sets forth information with respect to grants of non-qualified stock options, restricted stock units and performance shares to the named executive officers, director nominees and the specified groups set forth below under the 2011 Plan as of March 16, 2015. On March 16, 2015, the closing price of our common stock traded on the NYSE was $118.52 per share.

Name and Principal Position	Non-Qualified Stock Options	Restricted Stock Units	Performance Shares
Stephen J. Hemsley Chief Executive Officer	286,908	180,465	259,858
David S. Wichmann President and CFO	183,123	139,569	164,669
Larry C. Renfro Vice Chairman and CEO, Optum	183,123	139,569	164,669
Marianne D. Short Executive Vice President and Chief Legal Officer	120,910	68,286	53,009
Eric S. Rangen Senior Vice President and Chief Accounting Officer	35,521	20,300	34,453
Gail K. Boudreaux Former Executive Vice President and CEO, UnitedHealthcare	109,938	124,411	134,385
William C. Ballard, Jr., Director Nominee		9,684	
Edson Bueno, M.D., Director Nominee	585,241		
Richard T. Burke, Director Nominee		9,684	
Robert J. Darretta, Director Nominee		17,620	
Michele J. Hooper, Director Nominee		9,708	
Rodger A. Lawson, Director Nominee		9,602	
Glenn M. Renwick, Director Nominee		18,313	
Kenneth I. Shine, M.D., Director Nominee			