

**ASSIGNMENT AGREEMENT
OF
GROUP INSURANCE POLICIES
FROM
METROPOLITAN LIFE INSURANCE COMPANY
TO
UNITED HEALTHCARE INSURANCE COMPANY OF NEW YORK**

THIS Assignment Agreement (hereinafter "Agreement"), effective as of 12:01 AM, Eastern Standard Time, January 1, 2000, (Effective Date) is made by and among Metropolitan Life Insurance Company (Metropolitan), a New York Corporation, located at One Madison Avenue, New York, New York 10010; United HealthCare Insurance Company of New York (United HealthCare), a New York Corporation, located at 2929 Expressway Drive North, Hauppauge, New York 11788; and the New York State Department of Civil Service (the Department) having its principal office at Agency Building 1, W. Averell Harriman State Office Building Campus, Albany, New York 12239; collectively all of the foregoing are referred to in this Agreement as "the Parties".

WHEREAS, Metropolitan has issued to the Department group insurance policies designated as Group Policy Numbers 34450-G (G.2130-NY-9), 30500-G (G.2130-NY-1), 30501-G (G.2130-NY-2), and 30502-G (G.2130-NY-3), (all effective January 1, 1986, except 34450-G which was effective February 1, 1992 and terminated effective December 31, 1998, copies of which are attached to this Agreement and incorporated by reference as Exhibits AA (34450-G), A (30500-G), B (30501-G) and C (30502-G), respectively, (Exhibits AA, A, B and C). The foregoing group insurance policies are collectively referred to, including all amendments, as the "Policies". The Policies provide or provided certain health insurance benefits to eligible New York State Health Insurance Plan (NYSHIP) enrollees as set forth in the Policies ("Enrollees");

WHEREAS, the Policies have been amended as follows: the Deficit Recovery Amendment effective June 29, 1988, which amends Policy Number 30500-G, a copy of which Amendment is incorporated by reference as Exhibit D (Exhibit D); Amendments 1, Form Nos. G.24247, G.24248, and G.24249 dated January 1, 1992 which amend Exhibit A, Exhibit B, and Exhibit C respectively, copies of which Amendments are

attached and incorporated by reference as Exhibit E (Exhibit E); and Amendments 2, Form Nos. G.24331, G.24332, and G.24333 dated January 1, 1996 which amend Exhibit A, Exhibit B, and Exhibit C respectively, and the Letter of Agreement dated June 2, 1998 which supplements Amendments 2, copies of which Amendments and Letter of Agreement are attached and incorporated by reference as Exhibit F (Exhibit F); and

WHEREAS, the Parties agree that reference in the Policies to the Employer shall mean the Department for purposes of this Agreement;

WHEREAS, the Policies also constitute the contracts entered into between Metropolitan and the Department in accordance with the authority granted to the President of the Civil Service Commission as further set forth in New York Civil Service Law §162 (the Contracts);

WHEREAS, reference in this Agreement to the Policies shall also mean the Contracts;

WHEREAS, the Parties now desire that on the Effective Date, subject to the terms and conditions set forth in this Agreement, Metropolitan assigns to United HealthCare and United HealthCare assumes from Metropolitan all Policy Liabilities as set forth in this Agreement, which assignment will be reflected in the Certificate Amendment (Exhibit G) for Enrollees, and that, on the Effective Date, Metropolitan be discharged and released therefrom; except as otherwise set forth in this Agreement.

WHEREAS, under the authority of the President of the Civil Service Commission under Civil Service Law Article XI and the State Finance Law §138, the Department is consenting to such assignment based on the representations made by Metropolitan and United HealthCare in this Agreement and based on its own knowledge and decisions.

WHEREAS, each of the Policies may be amended by the Parties in accordance with its terms and conditions; and

WHEREAS, Metropolitan and United HealthCare acknowledge:

- (a) that the terms, conditions and exclusions of the existing administrative, compensation and reinsurance agreements of Metropolitan, United HealthCare and its affiliates (such agreements hereinafter referred to as the “Existing Agreements”) in connection with the Policies shall not be amended, terminated or changed in any way by this Agreement;
- (b) that, (1) the Existing Agreement for reinsurance does apply to the open and unreported Benefit Claim liability reported in the annual financial accounting for policy year 1999 under the Policies which will be delivered to the Department by no later than March 15, 2000, and (2) as a result of the transactions set forth in this Agreement, the Existing Agreement for reinsurance does not apply to any Benefit Claims under the Policies which are open and unreported on the Effective Date insofar as such Benefit Claims, when paid, will be part of the financial results of the Policies for policy years 2000 and later; and (3) as a result of the transactions set forth in this Agreement, the Existing Agreements do not apply to any Benefit Claims with a Date of Incurral on or after the Effective Date; and,
- (c) that the liabilities for the matters specified in item (b)(2) and (b)(3) above are among the liabilities assigned by Metropolitan and assumed by United HealthCare under this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

1.00. Metropolitan as the Assignor (Assignor) acknowledges and agrees that it is responsible to the Department as policyholder under the Policies for all rights, obligations, duties, liabilities and other terms of the Policies, as the insurer, prior to the Effective Date.

1.01. As of the Effective Date, with the consent of the Department as set forth in Section 16.00 of this Agreement, Metropolitan hereby assigns and United HealthCare agrees to assume from Metropolitan by novation, one hundred percent (100%) of the Policy Liabilities, as defined in Section 1.02 below, in connection with the Policies. The

assignment to and assumption of Policy Liabilities by United HealthCare shall include any and all of Metropolitan's liability:

- (a) associated with the Policies as if United HealthCare had issued the Policies as the insurer on the Effective Date including but not limited to: (i) liability for Benefit Claims under the Policies that have a Date of Incurral on or after the Effective Date; (ii) dividend liabilities relating to policy periods of the Policies commencing on or after the Effective Date; (iii) liability for premium taxes related to premiums earned in policy periods commencing on or after the Effective Date; and (iv) the liabilities described in Section 17.00(b) and (c) of this Agreement; and,
- (b) For Benefit Claims under the Policies that have a Date of Incurral on or after January 1, 1986 and on or prior to December 31, 1999, except liabilities by Metropolitan established with respect to such Benefit Claims to cover outstanding uncashed checks for all claims reported and processed on or before December 31, 1999; and
- (c) For accumulated dividend liability under Group Policy number 34450-G.

1.01.1. The Department agrees that, notwithstanding any prior statement or action by Metropolitan to the contrary, anticipated premium tax credits are not applied by Metropolitan to any dividends and unreturned claim reserves for which liability is hereby assumed by United HealthCare. United HealthCare agrees that it will be responsible for determining and applying any and all premium tax credits on the accumulated dividends and unreturned claim reserves for which it is assuming liability.

1.02. The term "Policy Liabilities" shall mean all of the liability of Metropolitan as set forth in Section 1.01 of this Agreement but shall not include any Excluded Liabilities as set forth in Section 1.05 of this Agreement.

1.03. The term "Benefit Claims" shall mean all liabilities or obligations arising under the terms and conditions of the Policies, including, without limitation, any and all liability for those certain health insurance benefits for which Enrollees are covered under the

Policies, and excluding the Open and Unreported Reserve (O and U) for such Benefits Claims as retained by the State of New York as of December 31, 1999.

1.04. The term “Date of Incurral” shall mean the date of treatment, disablement or such other date on which a claim or loss in respect of the Policies is recognized as incurred under the normal historical reserve valuation practices of Metropolitan consistent with applicable provisions in the Policies. The “Date of Incurral” with respect to extension of benefits claims, and liabilities and reserves for such claims, shall be established so as to be in accordance with the normal historical practice Metropolitan has followed in preparation of financial experience statements for the Department.

1.05. The term “Excluded Liabilities” shall mean any and all of liability of Metropolitan in connection with the Policies as follows but shall not include any Policy Liabilities as set forth in Section 1.01 and 1.02 of this Agreement:

- (a) For any liabilities of Metropolitan that are subject to the Existing Agreements;
and,
- (b) For any liabilities of Metropolitan arising on account of premiums earned by Metropolitan prior to the Effective Date (a) for premium taxes, and, (b) in connection with participation by Metropolitan, whether voluntary or involuntary, in any guaranty fund established or governed by the State of New York or any other state or jurisdiction.
- (c) For any accumulated dividend liabilities under group policies 30500-G, 30501-G and 30502-G, including any dividend liability for the 1999 policy period and all prior policy periods.

1.06. United HealthCare accepts and assumes the Policy Liabilities subject to any and all defenses, setoffs and counterclaims to which Metropolitan would be entitled with respect to the Policy Liabilities, it being expressly understood and agreed by Metropolitan and United Healthcare that no such defenses, setoffs or counterclaims are waived by the execution of this Agreement or the consummation of the transactions

contemplated hereby and that United HealthCare shall be fully subrogated to all such defenses, setoffs, and counterclaims.

1.07. United HealthCare shall be the successor to Metropolitan under the Policies for Policy Liabilities assumed hereunder as if such Policies were direct obligations originally issued by United HealthCare. United HealthCare shall be so substituted in the place and stead of Metropolitan, and each insured under any Policy may disregard Metropolitan as a party thereto and treat United HealthCare as if it had been originally obligated thereunder except as provided herein. The insureds shall have the right to file claims for Policy Liabilities directly with United HealthCare and shall have a direct right of action for Policy Liabilities against United HealthCare and United HealthCare hereby consents to be subject to direct action taken by any insured or beneficiary.

1.08. Notwithstanding anything in this Agreement to the contrary, the Parties agree that the terms and conditions of the Policies shall not be changed by this Agreement, including, but not limited to: (a) the Department's premium liability under the Policies, and (b) Policy Liabilities and Benefit Claims under the Policies.

2.00. Metropolitan will notify United HealthCare annually, by no later than September 1 of each year, of the estimated amount of expenses Metropolitan will incur during the following year in connection with the Policies relative to Metropolitan's position as insurer from January 1, 1986 through December 31, 1999. Such expenses may include any and all components of the Metropolitan dividend formula including but not limited to escheat administration, litigation and guarantee fund assessments. United HealthCare shall add that amount to its premiums and expense allocations charged to the Department in accordance with the Policies, and to the extent required by the Policies, approved by the Department. United HealthCare will reimburse Metropolitan from the Policies premiums for such actual and reasonable expenses upon notification by Metropolitan on or after the Effective Date.

3.00. Consistent with the other terms and conditions of this Agreement, the Parties agree that references to "The Metropolitan Life Insurance Company" and any and all references to Metropolitan in the Policies, are deemed replaced by references to the "United HealthCare Insurance Company of New York" on and after the Effective Date.

4.00. The Parties agree that the Policies shall continue in full force and effect and shall not be amended or changed by the provisions of this Agreement other than as specified in Section 3.00 of this Agreement.

5.00 The Parties agree that from and after the Effective Date, United HealthCare shall, when directed by the Department, issue to Enrollees who become eligible on or after the Effective Date solely in the name of United HealthCare, any and all certificates of insurance under the Policies setting forth the insurance benefits to which Enrollees are entitled as set forth in the Policies ("Certificates"). Nevertheless, for one year after the Effective Date, United HealthCare may issue Certificates printed before the Effective Date which name Metropolitan as the insurer, so long as a certificate amendment in the form attached to this Agreement as Exhibit G, notifying Enrollees who become eligible on or after January 1, 2000 with respect to the transactions contemplated by this Agreement and approved by the New York Insurance Department ("Certificate Amendment") physically accompanies each and every Certificate. In addition, the Parties agree that on or about October 1, 2000 they shall implement further procedures to identify United HealthCare as the insurer to new Enrollees, who become eligible on or after January 1, 2001, if Certificates in the name of United HealthCare have not been issued at that time.

5.01. Certificate Amendments shall be delivered prior to the Effective Date, or in such other time period as required by the New York Insurance Department, by United HealthCare or the Department to each and every Enrollee who is enrolled prior to the Effective Date. Any and all Certificates issued to Enrollees under the Policies prior to the Effective Date by Metropolitan shall be deemed to have been issued by United HealthCare and shall have the same force and effect as if issued by United HealthCare.

6.00. The Parties agree that the insurance for the employee groups specified below and for any other employee groups covered under the Policies on December 31, 1999 is continued in effect on January 1, 2000 pursuant to this Agreement. With respect to Exhibit AA (Group Policy No. 34450-G) the only insurance continued on and after January 1, 2000 is for any and all remaining liability on this terminated policy as of the Effective Date. The Department shall provide specimen copies of any and all

Certificates for each employee group to United HealthCare under separate cover with the respective envelope number.

| <u>Envelope No.</u> | <u>Applicable Policies</u> | <u>Employee Group</u> |
|---------------------|-----------------------------|---|
| 1. | 34450-G, 30500-G, 30501-G | Unified Court System (Judges & Justices) |
| 2. | 34450-G, 30500-G, 30501-G | Council 82 (C – 82) |
| 3. | 34450-G, 30500-G, 30501-G | District Council 37 (DC – 37) |
| 4. | 34450-G, 30500-G, 30501-G | Public Employees Federation (PEF) |
| 5. | 34450-G, 30500-G, 30501-G | Management/Confidential (M/C) |
| 6. | 34450-G, 30500-G, 30501-G | Unified Court System Non-Judicial Employees |
| 7. | 34450-G, 30500-G, 30501-G | United University Professions (UUP) |
| 8. | 34450-G, 30500-G, 30502-G | Participating Agencies (PA) Core plus Medical and Psychiatric Enhancements |
| 9. | 34450-G, 30500-G, 30501-G | Participating Employers (PE) |
| 10. | 34450-G, 30500-G, 30501-G | Civil Service Employees Association (CSEA) |
| 11. | 34450-G, 30500-G, 30501-G | Retirees, Vestees, Dependent Survivors and Enrollees Covered under Preferred List Provisions |
| 12. | 34450-G, 30500-G | Participating Agencies (PA) Core only |
| 13. | 34450-G, 30500-G, G.30502-G | Participating Agencies (PA) Core plus Medical Enhancement |
| 14. | 30500-G, G.30501-G | Police Investigators Association (PIA) |
| 15. | 30500-G, G.30501-G | Police Benevolent Association (PBA) Supervisors |

7.00. Premium payments for insurance coverage to be remitted as they become due under the Policies, with the exception of Group Policy 34450-G, on or after January 1, 2000, shall be payable to United HealthCare by the Department in accordance with the article of the Policies entitled "Computation and Payment of Premiums; Grace Period" Exhibit A, Article XIX, Exhibit B, Article XVI and Exhibit C, Article XVI. On and after the Effective Date, such premium payments for coverage on or after January 1, 2000 shall be made by the Department to United HealthCare, One Park Place, Albany, New York 12205. Such premium payments shall not include premiums due and unpaid prior to the Effective Date for coverage prior to January 1, 2000 which premiums shall continue to be paid to Metropolitan. In connection with this Agreement, where premiums are allocated to a policy year, such allocation shall be in accordance with the normal historical practices Metropolitan has followed in preparation of financial experience statements for the Department.

8.00. United HealthCare agrees to indemnify, defend, and hold Metropolitan harmless from, and shall reimburse Metropolitan for, all damages and expenses of any kind or nature whatsoever, including attorneys' fees and court costs, as incurred, that are based upon or arise out of: (i) breach of any obligation of United HealthCare provided for in this Agreement, or (ii) the failure by United HealthCare to discharge any obligations of Metropolitan to the extent that the same are assumed by United HealthCare pursuant to this Agreement. Within fifteen (15) days after receipt by Metropolitan of notice of any demand, claim, suit or proceeding indemnified under this Section (8.00) of the Agreement, or such shorter period as may be necessary to enable United HealthCare to respond timely thereto, Metropolitan shall give notice to United HealthCare of such demand, claim, suit, or proceeding and United HealthCare shall at its expense assume the defense of any such demand, claim, suit or proceeding; provided, however, that the failure by Metropolitan to give timely notice as provided herein shall not relieve United HealthCare of its indemnification obligations under this Agreement, unless United HealthCare is prejudiced by such delay. In the event that United HealthCare has not assumed the defense of any matter covered by this indemnification provision within a reasonable period of time after notice, Metropolitan, at the cost and expense of United

HealthCare, shall have a right to pay in full such claim or demand and be indemnified by United HealthCare in accordance with this provision, in its sole discretion, provided that Metropolitan acts reasonably and in good faith with respect to such payment.

9.00. Metropolitan agrees to indemnify, defend, and hold United HealthCare harmless from, and shall reimburse United HealthCare for, all damages and expenses of any kind or nature whatsoever, including attorneys' fees and court costs, as incurred, that are based upon or arise out of: (i) breach of any obligation of Metropolitan provided for in this Agreement, or (ii) any claim asserted in connection with the demutualization of or issuance of capital stock by Metropolitan. Within fifteen (15) days after receipt by United HealthCare of notice of any demand, claim, suit or proceeding indemnified under this Section (9.00), or such shorter period as may be necessary to Metropolitan to respond timely thereto, United HealthCare shall give notice to Metropolitan of such demand, claim, suit, or proceeding and Metropolitan shall at its expense assume the defense of any such demand, claim, suit or proceeding; provided, however, that the failure by United HealthCare to give timely notice as provided herein shall not relieve Metropolitan of its indemnification obligations under this Agreement, unless Metropolitan is prejudiced by such delay. In the event that Metropolitan has not assumed the defense of any matter covered by this indemnification provision within a reasonable period of time after notice, United HealthCare, at the cost and expense of Metropolitan, shall have a right to pay in full such claim or demand and be indemnified by Metropolitan in accordance with this provision, in its sole discretion, provided that United HealthCare acts reasonably and in good faith with respect to such payment.

10.00. In accordance with Sections 1.02 and 1.05 of this Agreement: (a) Metropolitan acknowledges that, with respect to fraud and abuse overpayments and recoveries, audit recoveries, and any financial penalties associated with performance guarantees, under the Policies, it has the responsibility for any payments to the Department for such items originating prior to the Effective Date; (b) United HealthCare acknowledges that effective January 1, 1995 and thereafter that there are certain reinsurance and administrative responsibilities owed to Metropolitan under the terms and conditions of the Existing Agreements related to fraud and abuse overpayments and recoveries, audit recoveries, and any financial penalties associated with performance guarantees, under the Policies; (c) United HealthCare acknowledges that it has the responsibility to the

Department for any and all fraud and abuse overpayments and recoveries, for audit recoveries, and any financial penalties associated with performance guarantees, under the Policies, originating on or after the Effective Date.

10.01. The Department shall have the authority to audit, at the Department's expense, the performance of Metropolitan and United HealthCare under the terms of this Agreement.

11.00. This Agreement does not constitute a termination of the Policies as described in Exhibit A, Article XX, Exhibit B Article XVII and Exhibit C, Article XVII, such articles, entitled "Special Provisions Relating to the Reserves for Open and Unreported Claims and Liability for Such Claims."

12.00. United HealthCare shall establish a cash management account ("CMA") that is available on and after the Effective Date as described in the Policies and in accordance with the following:

- (a) The initial interest rate for positive cash balances shall be the six-month Treasury Bill rate and the initial interest rate for negative cash balances shall be the six-month Treasury Bill rate plus 1%;
- (b) Changes in the interest rate or index rate shall be as mutually agreed upon in writing between the Department and United HealthCare;
- (c) Between January 3, 2000 and March 31, 2000 there shall be a transfer in two installments from Metropolitan to United HealthCare of funds that are on deposit in the CMA held by Metropolitan. The first installment will be paid on January 3, 2000 and shall be equal to the estimated amount of the Open and Unreported (O&U) Reserve as of 12/31/1999 under the Policies less the actual amount of the O&U Reserve held by the State of New York as of December 31, 1999 under the Policies plus any estimated amount of dividend liability under group policy 34450-G as of 12/31/1999. Prior to March 31, 2000 and after the completion of the annual dividend calculation for policy year 1999 under the Policies on or prior to March 15, 2000, the second installment shall be transferred. The second installment shall be equal to the amount of the

O&U Reserve as of December 31, 1999 under the Policies, less the actual amount of the O&U Reserve held by the State of New York under the Policies, plus any dividend liability under Group Policy 34450-G as of December 31, 1999, less the amounts advanced for such dividend liability by Metropolitan to the Department and less the amount transferred to United HealthCare in the first installment. For the purposes of the second installment, the amount of O&U Reserve as of December 31, 1999 shall be as reported in such annual dividend calculation under the Policies. If the amount of the second installment is positive, such amount shall be transferred from Metropolitan to United HealthCare. If the amount of the second installment is negative, United HealthCare shall transfer the absolute value of such negative amount to Metropolitan. United HealthCare shall advise the Department in writing of each transfer made pursuant to this Section 12.00 c). The term Open and Unreported Reserve (O & U) as used in this section 12.00 c) shall be consistent with such term's use in the financial statements provided annually to the Department by Metropolitan and United HealthCare.

- (d) If Metropolitan or United HealthCare erroneously receives, on or after the Effective Date, any premium payment under the Policies due to the other Party in accordance with Section 7.00 of this Agreement, such premium shall be transferred to the other party within three (3) business days of receipt of the erroneous premium payment. If Metropolitan or United HealthCare erroneously receives any other payment under the Policies due to the other Party on or after the Effective Date, such payment shall be transferred to the other party in a timely fashion, not to exceed thirty (30) days from receipt of such payment.
- (e) If for any reason the amount retained by Metropolitan for outstanding claim drafts subsequently is determined to differ from the amount required to pay outstanding claim drafts, Metropolitan and United HealthCare shall promptly prepare a recommendation for the disposition of that difference and present it to the Department for approval. Such recommendation shall be presented to the Department by no later than June 30, 2000.

- (f) Metropolitan will continue to maintain a CMA for balances held by Metropolitan on and after the Effective Date until the date the balance in such CMA is zero. Interest on the CMA shall be calculated daily, reported monthly and remitted monthly to United HealthCare by Metropolitan for inclusion in the financial experience for the then current period. The interest rate for positive cash balances shall be the six-month Treasury Bill rate and the interest rate for negative balances shall be the six-month Treasury Bill rate plus 1%. Changes in the rate to be used by MetLife shall be as mutually agreed upon in writing between the Department and Metropolitan.

- (g) On or before August 15, 2000, Metropolitan agrees to provide if requested by the Department an accounting of and justification for the amount of funds held for outstanding claim drafts beyond July 1, 2000. Metropolitan agrees to retain beyond July 1, 2000 only the amount of funds for outstanding claim drafts consistent with such an accounting and agreed to with the Department. The costs for such accounting shall be charged as expenses in accordance with Section 2.00 of this Agreement.

13.00. Within a reasonable time after the Effective Date, Metropolitan shall provide to the Department a detailed listing (“Litigation List”) of all active litigation cases for Benefit Claims involving Dates of Incurral between January 1, 1986 and December 31, 1994 which based on current information are reasonably expected to be litigated. The Litigation List shall include the following elements to the extent reasonably determinable by Metropolitan: estimated maximum financial exposure, probability of success, expenses paid, and estimated maximum legal expenses. Metropolitan shall amend the Litigation List annually and submit such amendments to the Department until such time as all such cases on the Litigation List have been finally resolved.

13.01. Metropolitan shall advise the Department with respect to all proposed settlement(s) of Litigated Matters as set forth on the Litigation List described in this section, and seek the consent of the Department to such settlement(s) which consent shall not be unreasonably withheld. The Parties agree that with respect to such settlements, once effected, and any judgments of Litigated Matters the benefit portion and any payment or award of claimants’ legal fees or other court costs shall be paid or reimbursed

to Metropolitan by United HealthCare and charged to the Department's current experience rating year.

13.02. Metropolitan shall bill United HealthCare for reasonable and necessary expenses, including but not limited to legal fees and other litigation costs, related to Litigated Matters, and such expenses shall be paid to Metropolitan by United HealthCare and charged to the Department's financial experience. Metropolitan agrees to be subject to management and financial audits by the Department for such expenses, the audits to be conducted at the sole expense of the Department.

14.00. Each Party to this Agreement represents that it has the full legal authority to enter into this Agreement and the transactions contemplated by this Agreement. United HealthCare is licensed to transact an accident and health insurance business under Section 1113(a)(3) of the New York Insurance Law, in accordance with New York Civil Service Law, Section 162, as may be required for the performance of the services and responsibilities under the Agreement and for acceptance of the assignment of duties, obligations, and liabilities from Metropolitan to United HealthCare as fully set forth in this Agreement. The license is currently in effect and shall be maintained by United HealthCare throughout the term of the Agreement. The Parties acknowledge that the New York Insurance Department must approve the Assignment Agreement and the transactions described herein.

15.00. The Department hereby consents to the assignment of Policy Liabilities by Metropolitan to United HealthCare, the assumption of Policy Liabilities by United HealthCare, and the discharge and release of Metropolitan from Policy Liabilities, all subject to the terms and conditions of this Agreement. The Department's consent is given in consideration of the representations set forth in this Agreement.

16.00. Metropolitan and United HealthCare acknowledge that the terms, conditions and exclusions of the Existing Agreements between and among Metropolitan, United HealthCare and its affiliates shall not be amended, terminated or changed in any way by this Agreement. The Existing Agreements shall not be amended, changed, or terminated in any way which would conflict with this Agreement. Metropolitan and United HealthCare acknowledge the Department's reliance upon the terms of the Existing

Agreements as referenced in this Agreement. Metropolitan and United HealthCare acknowledge that, among other things, the Existing Agreements apply if any Policy Liabilities are declared by a court of competent jurisdiction to be not assigned to or assumed by United HealthCare notwithstanding this Agreement. Should a court of competent jurisdiction make such a declaration ordering Metropolitan to provide services to Enrollees under the Policies, the Department shall be responsible for reasonable costs directly related thereto in accordance with Civil Service Law Article XI incurred by Metropolitan and United HealthCare. The Department reserves the right to audit such reasonable costs attributable to the foregoing circumstances.

17.00. Metropolitan and United HealthCare acknowledge that: (a) the Existing Agreement for reinsurance does apply to the open and unreported Benefit Claim liability reported in the annual financial accounting for policy year 1999 under the Policies which will be delivered to the Department by no later than March 15, 2000; (b) as a result of the transactions set forth in this Agreement, the Existing Agreement for reinsurance does not apply to any Benefit Claims under the Policies which are open and unreported on of the Effective Date insofar as such benefit claims, when paid, will be part of the financial results of the Policies for policy years 2000 and later; and (c) as a result of the transactions set forth in this Agreement, the Existing Agreements do not apply to any Benefit Claims with a Date of Incurral on or after the Effective Date.

18.00. The terms and conditions of this Agreement may not be amended, modified or revoked except by a written instrument executed by the Parties.

19.00. Appendix A, entitled, "Standard Clauses for all New York State Contracts" and the Omnibus Procurement Act of 1992 and the MacBride Act statement are attached and incorporated by reference to this Agreement (Appendix A). United HealthCare and Metropolitan agree to meet these requirements in accordance with this Agreement.

20.00. This Agreement consists of the following document elements:

- (a) The body of this Agreement and any amendments thereto; and

(b) The following Appendix and all of the following Exhibits attached and incorporated by reference in this Agreement:

(i) Appendix A, "Standard Clauses for all New York State Contracts" including the Omnibus Procurement Act of 1992 and the MacBride Act Statement;

(ii) Exhibit AA, Group Policy Number 34450-G;

(iii) Exhibit A, Group Policy Number 30500-G;

(iv) Exhibit B, Group Policy Number 30501-G;

(v) Exhibit C, Group Policy Number 30502-G;

(vi) Exhibit D, Deficit Recovery Amendment effective June 29, 1988;

(vii) Exhibit E, Amendment 1, Form Numbers G.24247, G.24248, and G.24249 dated January 1, 1992;

(viii) Exhibit F, Amendment 2, Form Numbers G.24331, G.24332, and G.24333 dated January 1, 1996; and

(ix) Exhibit G Certificate Amendment.

21.00. This Agreement contains the entire understanding between and among the Parties hereto with respect to the subject matter hereof and supersedes and replaces all prior and contemporaneous agreements and understandings, oral or written, with regard to the subject matter of this Agreement. In the event of any conflicts or inconsistencies among the document elements of this Agreement as set forth above, such inconsistency or conflict shall be resolved by giving precedence to the document elements in the following order:

- (a) First, Appendix A, including the appended Omnibus Procurement Act of 1992 and the MacBride Act Statement, provided, however, that with respect to those provisions set forth in this Agreement which involve only transactions between United HealthCare and Metropolitan, Appendix A shall not be applicable;
- (b) Second, this Agreement and any amendments;
- (c) Third, the Amendments to the Policies; and
- (d) Fourth, the Policies.

22.00. This Agreement may be executed in counterparts, each of which shall constitute one and the same instrument.

23.00. This Agreement is not intended to confer any rights upon any person other than the Parties hereto and their respective successors and assigns.

24.00. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

25.00. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

26.00. Any waivers by any Party of a term or condition contained in this Agreement shall not be construed as a further or continuing waiver of any term or condition of this

Agreement.

27.00. The invalidity or unenforceability of any provision or portion of this Agreement, as declared by a court of competent jurisdiction, shall not affect the validity or enforceability of the other provisions or portions hereof, except for the following: If declared invalid or unenforceable by the court as to all or any of the Parties, the provision or portion shall be either stricken from this Agreement or modified so that, in either event, the remaining terms and conditions of the Agreement reasonably and equitably maintain the purposes of this Agreement.

28.00. All notices under this Agreement shall be in writing, with a return receipt requested, and shall be delivered to the following addresses or such other address as a Party designates by notice to the other Parties in accordance with this provision:

IF TO METROPOLITAN LIFE INSURANCE COMPANY:

One Madison Avenue
New York, NY 10010
Attention: Jory E. Miller, Counsel

IF TO UNITED HEALTHCARE INSURANCE COMPANY OF NEW YORK
OR TO ANY OF ITS AFFILIATES:

c/o Uniprise, A United Health Group Company
450 Columbus Boulevard
Hartford, CT 06115
Attention: Timothy F. Lyons, Associate General Counsel

IF TO NEW YORK STATE DEPARTMENT OF CIVIL SERVICE

Building #1 Employee Benefits Division
Harriman State Office Building Campus
Albany, NY 12239
Attention: Robert W. DuBois, Director

IN WITNESS WHEREOF, the Parties hereto have signed this AGREEMENT on the day and year appearing under their respective signatures.

State of New York
DEPARTMENT OF CIVIL SERVICE
Harriman State Office Building Campus
Albany, New York 12239

By: 

Title: President

Date: 12/30/99

METROPOLITAN LIFE INSURANCE COMPANY
One Madison Avenue
New York, New York 10010

By: 

Title: Vice President

Date: 12/29/99

UNITED HEALTHCARE INSURANCE COMPANY OF NEW YORK
2929 Expressway Drive North
Hauppauge, New York 11788

By: 

Title: Vice President

Date: 12/29/99

