

July 21, 2016

Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Via email: rule-comments@sec.gov

Re: Concept Release titled "*Business and Financial Disclosure Required by Regulation S-K*," SEC Release No. 33-10064; 34-77599 (the "Concept Release") and Proposed Rule titled "*Disclosure Update and Simplification*," SEC Release No. 33-10110; 34-78310 (the "Proposed Rule").

Dear Secretary:

This letter is submitted on behalf of UnitedHealth Group, Incorporated ("UnitedHealth Group" or the "Company"), a diversified health and well-being company dedicated to helping people live healthier lives and making the health system work better for everyone. UnitedHealth Group employs more than 200,000 individuals, is a Fortune 10 company with annual revenues expected to exceed \$180 billion in 2016 and a market capitalization in excess of \$134 billion as of June 30, 2016. We are writing in response to your request for comments regarding the Concept Release and the Proposed Rule.

I. Overview

The Concept Release introduces the possibility of modernizing certain business and financial disclosure requirements in Regulation S-K ("S-K"). This is part of an initiative by the Division of Corporation Finance to review the disclosure requirements under S-K and improve how information is given to and interpreted by investors. The Proposed Rule includes amendments to certain Securities and Exchange Commission (the "Commission") disclosure requirements that may have become redundant, duplicative, overlapping, outdated, or superseded, in light of other Commission disclosure requirements, U.S. Generally Accepted Accounting Principles ("GAAP") or changes in the information environment. This Proposed Rule is part of an initiative by the Division of Corporation Finance to review disclosure requirements applicable to issuers to consider ways to improve the requirements for the benefit of investors and issuers.

UnitedHealth Group supports the efforts of the Commission to improve disclosures made by public companies. In an effort to improve current disclosures, we believe that the Commission should limit prescriptive disclosure requirements to a minimum and emphasize a principles-based approach. A principles-based approach is more likely to elicit the disclosure of relevant information compared to a prescriptive approach. If the Commission ultimately decides to add disclosures in order to improve annual and interim filings, we believe that those disclosure requirements should be principles-based.

Additionally, the Commission could improve the overall quality of periodic filings through the simplification of current disclosure requirements in S-K. This should include removing duplicative disclosures within S-K, consolidation of guidance on the requirements in S-K, and removing duplication between Commission disclosure requirements and GAAP.

II. We believe that a principles-based approach to providing disclosures is the most effective way to communicate information to investors.

We agree with the Commission's finding in its 2003 study on S-K that limiting prescriptive disclosure requirements and emphasizing a principles-based approach could improve filings by limiting immaterial or irrelevant information. We also believe that if the Commission decides to add additional disclosures to S-K, they would be best suited as principles-based. We elaborate on these thoughts below.

A. S-K currently has a number of prescriptive disclosures that do not provide material information to an investor.

Rule 12b-2 of the Exchange Act defines materiality as, "information required to those matters to which there is a substantial likelihood that a reasonable investor would attach importance in determining whether to buy or sell the securities registered."¹ In addition, SAB 99 further clarifies that materiality determinations cannot be reduced to a numerical formula and evaluations of materiality require both quantitative and qualitative considerations.² We believe that the definition of materiality in Rule 12b-2 is still meaningful. A prescriptive approach to providing disclosure does not take into account a full assessment of materiality, which includes a qualitative assessment.

We agree with the following statement included in the Concept Release, "The Commission noted that the percentage tests applied without regard to any concept of materiality or significance to the registrant's business, resulting in meaningful discussion often being obscured by information of little relevance."³ S-K requires disclosure of items that are not material to UnitedHealth Group or meaningful to our investors, such as: dollar amount of backlog orders believed to be firm, the number of employees, and property disclosures. We believe that these disclosures are not relevant to our business and do not provide meaningful disclosure to investors. These prescriptive disclosures do not provide information into the size or scope of our business and do not add any clarity to the overall strategy of the Company. We do not believe that the removal of these items from our periodic filings would change the total mix of information provided to an investor or impact decisions an investor would make. Furthermore, we believe that prescriptive disclosures are punitive to companies that actively review their

¹ See 1982 Integrated Disclosure Adopting Release

² See SAB 99. (August 12, 1999)

³ See Release No. 33-10064, "Business and Financial Disclosure Required by Regulation S-K", pg. 101. (April 13, 2016)

filings to ensure the most relevant information is provided to investors, and remove disclosures that are no longer relevant to a registrant.

B. S-K currently allows for certain principles-based disclosures that provide some of the most meaningful information for an investor.

There are requirements within S-K that are open to principles-based disclosure, one of those being Item 303 – Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”). This principles-based approach allows for the discussion of MD&A to be focused on material trends and uncertainties while also discussing how management views the company without having to disclose items that are potentially quantitatively immaterial. As a company, we have used this principles-based approach to have an effective discussion of material trends that are not cluttered with a line by line discussion of why the income statement changed period-over-period. This gives an investor an accurate and meaningful representation of the material trends in our results of operations while giving insight into how management views the business.

Additionally, we have taken a position of providing disclosures within our filings even when these disclosures are not specifically required by S-K. As noted in the Concept Release, we make additional disclosures within our Item 101 disclosures of our 10-K that give an investor information about the government regulations that are relevant to our business and how it functions. This is not specifically required by Item 101, yet is important to understanding the nature of our business and the environment in which we conduct our business. We believe that the Commission should encourage this kind of disclosure.

C. If the Commission decides to add disclosure requirements to S-K in order to improve annual and interim filings, these disclosures should be principles-based.

In the Concept Release, the Commission discusses adding more prescriptive disclosures to MD&A in order to improve consistency and disclosures overall, including, but not limited to: required commentary, analysis, performance indicators or business drivers related to registrants’ key indicators in MD&A. One of the goals of MD&A, as described by the Commission in its 2003 MD&A Interpretive Release, was to, “provide a narrative explanation of a registrant’s financial statements that enables investors to see the registrant through the eyes of management.”⁴ We believe that prescriptive disclosures would provide information to investors that management may not believe is material to its

⁴ See, “Interpretation: Commission Guidance Regarding Management’s Discussion and Analysis of Financial Condition and Results of Operations” (December 29, 2003)

business or material to investors. Prescriptive disclosures will take away from a narrative explanation of how management views the business and its results. There is a risk that potential prescriptive disclosures in MD&A would not be relevant to an entire industry or as a comparable measure between companies. The significant addition of prescriptive disclosures may result in many companies simply responding to the disclosure requirements without providing investors with meaningful information, creating boilerplate filings.

D. Adding additional prescriptive disclosures can be problematic.

As an industry, health insurance companies are typically grouped with property and casualty insurance companies even though the two businesses function in different ways. These are considerations that need to be made if the Commission decides to add prescriptive disclosures. There is a risk that investors will make decisions and compare prescriptive disclosures between companies, even when the disclosure provided is not relevant. Instead, we believe that the Commission should encourage companies to perform peer analysis and decide if the disclosures are consistent amongst a company's peers and if that disclosure is material to the registrant.

E. The Commission should release additional interpretive guidance.

If the Commission deems that current disclosures are not adequate or are not sufficient for investors to make decisions, the Commission should consider providing interpretive guidance in order to enhance disclosures versus creating more prescriptive disclosure requirements. This is more effective for both registrants and investors as it still allows for qualitative assessment of disclosure. This could also increase consistency without adding additional prescriptive disclosure. Additionally, it gives a registrant insight into what the Commission is looking for and what the goals of the disclosures are.

III. The Commission should work to simplify the current disclosure requirements within S-K.

The Commission should consider simplifying the current disclosure requirements within S-K in order to improve disclosures in periodic filings.

A. The Commission should work to reduce duplicative S-K disclosures that are made within 8-Ks, 10-Ks, and 10-Qs and consolidate S-K guidance into one single codified source.

1. We are in favor of the Commission allowing registrants to reference between different filings; such as: 8-Ks, 10-Ks, and 10-Qs; through the use of hyperlinks. This allows the Commission to make better use of the data that has already been filed within EDGAR while simultaneously reducing duplicative disclosures between different filings. The Commission could remove the requirement for quarterly financial

disclosures in the 10-K by allowing the use of hyperlinks between a registrant's 10-K and its corresponding 10-Qs. Additionally, this could reduce current requirements within MD&A that require prior year analysis of results. This repetition could be removed by hyperlinking between the current and prior year 10-K. The removal of these items would not hurt the integrity of the filing, because this information is still readily accessible through EDGAR.

2. We agree with the Commission that work should be done to codify and consolidate a number of the guides that the Commission has published. This practice provides definition to principles-based disclosures while still allowing a registrant to qualitatively assess what should be disclosed. For example, the Commission has released a number of interpretations on MD&A throughout the years. If all of the separate guidance is consolidated into a single source, it would clarify the expectations of the Commission on a registrant's disclosure without specifically prescribing disclosures that may or may not be material to the registrant.

B. The Commission should work to remove its disclosure requirements that are duplicative with current GAAP.

We believe that the Commission should work to consolidate its disclosure requirements with current GAAP. As it currently stands, there are a number of disclosures that are repetitive, similar to, or are not as expansive as current GAAP requirements. The Commission should work with the Financial Accounting Standards Board to reduce these redundancies. Examples include:

- Disclosure of issuer purchases of equity securities is duplicative to current GAAP disclosures in the statement of shareholders' equity and related footnote;
- Disclosure of dividends paid by quarter within Item 201 when this information is included for the full period on the statement of operations and is available by quarter in related 10-Q filings;
- Disclosure of legal proceedings when the requirement of disclosure of loss contingencies by GAAP are more robust and provide more information to an investor; and
- Disclosure of dependence on certain customers is also required by GAAP.

If redundancies are removed, it could help in the overall readability of a filing and reduce duplicative disclosures. Additionally, in some instances, the Commission's requirements are not the same depth of disclosures that GAAP requires. Furthermore, S-K requires disclosure of quarterly information in annual

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filings. The analysis of one quarter of information is not impactful when a document is taking an annual view of financial activity.

IV. Conclusion

We are supportive of an effort to update and improve the disclosures within certain disclosure requirements, including S-K. It is important that the Commission updates its disclosure requirements in order to respond to investor needs and technological capabilities. In an effort to improve disclosures, we believe that the Commission should review its current prescriptive disclosures, allow a more principles-based approach, and allow hyperlinking between documents to remove redundant disclosures. Additionally, the Commission should attempt to simplify current disclosure requirements with GAAP. We feel that these changes will provide an investor with filings that are focused on current and material information.

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We appreciate your consideration of our comments on the Concept Release and Proposed Rule. If we can provide further information or clarification of our comments, please call me.

Sincerely,



Thomas E. Roos
Senior Vice President and Chief Accounting Officer
UnitedHealth Group, Incorporated
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