



THE OPTIONS CLEARING CORPORATION

Back to Infomemo Search

DATE: JULY 29, 2004

SUBJECT: OXFORD HEALTH PLANS, INC. – ANTICIPATED ADJUSTMENT

OPTION SYMBOLS: OHP/YQP(06)/OYW(07)

NEW SYMBOLS: HOY/YQN(06)/OVA(07)

DATE: 07-30-04 ???

CORRECTION

DATE: Effective the opening of the business day after the merger is consummated.
Contract adjustment is expected to take place on Friday, July 30, 2004.

OPTION SYMBOL: OHP changes to HOY
YQP changes to YQN
OYW changes to OVA

STRIKE PRICES: No Change

**NUMBER OF
CONTRACTS:** No Change

MULTIPLIER 100 (e.g., a premium of 1.50 yields \$150; a strike of 40 yields \$4,000.00)

**NEW DELIVERABLE
PER CONTRACT:**

- 1) 63 UnitedHealth Group Incorporated (“UNH”) Common Shares
- *2) Cash in lieu of .57 UNH fractional shares
- *3) \$1,617 Cash (\$16.17 x 100)

*The cash portion of the deliverable remains permanently fixed as part of the option deliverable, and does not vary with price changes of securities also included in the deliverable

CUSIP: UNH: 91324P102

DELAYED SETTLEMENT

OCC will delay settlement of HOY/YQN/OVA option exercise/assignment activity until the end of “when-issued” trading in UNH, if any, is determined by the New York Stock Exchange (“NYSE”) and until the cash in lieu of fractional UNH Shares is determined.

PRICING

The underlying price for HOY/YQN/OVA will be determined as follows:

$$\text{HOY} = .63(\text{UNH}) + \text{cash in lieu of } .57 \text{ UNH} + 16.17$$

For example, an UNH closes at 61, and the cash in lieu is 34.77, the HOY price would be:

$$\text{HOY} = .63(61) + .3477 + 16.71 = 54.95$$

In this example, an HOY 50 Call would be \$495.00 in-the-money (difference of deliverable value of \$5,495.00 and the strike price amount of $50 \times 100 = \$5,000.00$)

BACKGROUND

On July 7, 2004, Shareholders of **Oxford Health Plans, Inc.** ("OHP") will vote concerning a proposed merger with UnitedHealth Group, Incorporated ("UNH"). If the merger is approved and consummated, each existing OHP Common Share will be converted into the right to receive .6357 UNH Common Shares plus \$16.17 cash. Cash will be paid in lieu of fractional UNH shares.

THE FOREGOING IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE MERGER, PREPARED BY OCC FOR THE CONVENIENCE OF CLEARING MEMBERS. OCC ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. CLEARING MEMBERS SHOULD REFER TO THE OHP PROXY STATEMENT/UNH PROSPECTUS DATED JUNE 14, 2004, FOR THE AUTHORITATIVE DESCRIPTION OF THE MERGER AND ALL ITS TERMS AND CONDITIONS.

Pursuant to Article VI, Section 11, of OCC's By-Laws, a panel of OCC's Securities Committee has determined to adjust all OHP/YQP/OYW options as indicated above (the panel consists of two representatives from the Exchanges on which the affected option is traded (in this case, the Chicago Board Options Exchange ("CBOE"), the American Stock Exchange ("AMEX"), the Philadelphia Stock Exchange ("PHLX"), the Pacific Exchange ("PCX"), and the International Securities Exchange ("ISE")) Chairman of OCC or his delegee, who only votes in case of a tie).

THE FOREGOING POSSIBLE ADJUSTMENT IS BASED ON THE INFORMATION AVAILABLE AT THIS TIME. THE DETERMINATION TO ADJUST AND THE EXTENT OF THE ADJUSTMENT ARE SUBJECT TO CHANGE AS ADDITIONAL INFORMATION BECOMES AVAILABLE OR IF THERE ARE MATERIAL CHANGES TO THE TERMS OF THIS MERGER.

CATEGORY: CONTRACT ADJUSTMENT

SUB-CATEGORY: ANTICIPATED ADJUSTMENT