UNIVERSAL AMERICAN

A Healthy Collaboration®

FOR IMMEDIATE RELEASE
UNIVERSAL AMERICAN CORP. REPORTS
2016 FOURTH QUARTER RESULTS

White Plains, NY – February 28, 2017 – Universal American Corp. (NYSE: UAM) today announced financial results for the quarter and year ended December 31, 2016.

WellCare Transaction Update

- As previously announced, on November 17, 2016, Universal American entered into a definitive agreement with WellCare Health Plans, Inc. ("WellCare") under which WellCare will acquire Universal American in an all cash transaction valued at $10.00 per share of common stock (the "WellCare Transaction").
- On January 4, 2017, Universal American and WellCare announced the early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act.
- On February 16. 2017, Universal American stockholders approved the WellCare Transaction with more than 99% of the shares represented in person or by proxy voting to approve the acquisition, which represented approximately 89% of Universal American's total outstanding shares of common stock as of the January 13, 2017 record date.
- The WellCare Transaction is expected to close in the second quarter of 2017, subject to the receipt of regulatory approvals and other customary closing conditions. Universal American and WellCare are pursuing the remaining regulatory approvals from regulatory agencies in Texas and New York.

Full Year 2016

Universal American's reported net income for the full year 2016 was $55.4 million, or $0.78 per share. Adjusted net income for the full year 2016 was $1.6 million, or $0.02 per share, which excludes the following after-tax items:

- $6.2 million, or $0.09 per share, of losses associated with our Management Services Organization (MSO) segment which includes our Accountable Care Organization (ACO) business;
- $1.5 million, or $0.02 per share, of net realized investment gains;
- $1.4 million, or $0.02 per share, of non-cash interest on our Convertible Notes;
- $0.6 million, or $0.01 per share, of tax benefit;
- $61.7 million or $0.87 per share of income from discontinued operations, including our Traditional Insurance and Total Care Medicaid businesses, which were sold in August 2016, and the APS Healthcare businesses, which were sold in 2015; and
- $2.4 million or $0.03 per share, of development-related transaction costs, including the pending WellCare Transaction.

Total revenues from continuing operations for full year 2016 were approximately $1.4 billion.

Fourth Quarter 2016

Universal American's reported net loss for the fourth quarter of 2016 was $18.5 million, or $0.33 per share. Adjusted net loss for the fourth quarter of 2016 was $7.8 million, or $0.14 per share, which excludes the following after-tax items:

- $8.8 million, or $0.16 per share, of losses associated with our MSO segment, which includes our ACO business;
- $0.7 million, or $0.01 per share, of non-cash interest on our Convertible Notes;
- $0.3 million, or less than $0.01 per share, of tax benefits;
- $1.1 million, or $0.02 per share, of losses from discontinued operations, including our Traditional Insurance and Total Care Medicaid businesses, which were sold in August 2016, and the APS Healthcare businesses, which were sold in 2015; and
- $0.4 million or $0.01 per share, of development-related transaction costs, including the pending WellCare Transaction.

Total revenues from continuing operations for the fourth quarter of 2016 were approximately $341 million.

Management Comments

Richard A. Barasch, Chairman and CEO, commented, "2016 was a successful year for Universal American, culminating with the signing of a definitive contract to sell the company to WellCare. Everyone associated with Universal American has worked tirelessly to bring vibrancy to the Healthy Collaboration® model in which we work closely with our physician partners to improve quality and lower costs for Medicare beneficiaries. Through this acquisition, WellCare is demonstrating its commitment to this model.

"Most important was the improvement in the operating results of our Medicare Advantage business, driven by the continued success of our flagship HMO in Southeast Texas and the return to profitability of our plans in the Northeast. We were especially pleased with the increase in our overall Stars rating, including achieving 4.5 Stars in Southeast Texas.

"Looking forward, we believe we are well-positioned for a successful 2017 given the stability of our medical loss ratios in 2016, our 2017 bids, and membership growth during the 2017 AEP.

"We also achieved a significant increase in the revenues from our MSO/ACO segment. We are encouraged by the progress in cost and quality shown by our physician partners and by the positive regulatory changes in the MSSP program."

2017 Membership (as of January 31, 2017)

- Medicare Advantage:
  - 72,100 members in Texas
  - 47,400 members in upstate New York and Maine
- Management Services Organization:
  - 47,700 Medicare beneficiaries in our two Next Generation ACOs in Houston, Texas and Maryland/Virginia
  - 26,900 Medicare beneficiaries in three ACOs that have selected Track 2 (2-sided risk) in the Medicare Shared Savings Program (MSSP)
  - 147,200 Medicare beneficiaries in 13 ACOs that have selected Track 1 (1-sided risk) in the MSSP

Medicare Advantage

	Three Months Ended December 31, 2016		Year Ended December 31, 2016	
Financial Performance ($ in millions)				
Net premiums (1)	$ 337.5		$ 1,366.7	
Net investment income & other income	2.4		9.7	
Revenue	339.9		1,376.4	
Quality initiatives	6.9	2.0%	24.2	1.8%
Medical benefits	278.8	82.6%	1,129.6	82.6%
Total benefits	285.7	84.6%	1,153.8	84.4%
Admin expenses	48.0	14.2 %	152.5	11.2%
ACA fee	5.4		21.7	
Segment income before income taxes	$ 0.8		$ 48.4	
	Reported	Recast**	Reported	Recast**
Texas HMOs Medical Benefit Ratio*	81.9%	82.2%	82.5%	83.0%
Upstate New York/Maine Medical Benefit Ratio*	84.1%	83.7%	83.3%	83.1%

(1) Effective January 1, 2016, we changed the way in which we estimate changes in risk-adjusted premiums receivable from CMS, which resulted in the accelerated recognition of additional current year premium revenue of $9.2 million for the year ended December 31, 2016.
* Excluding quality initiatives.
** Recast excludes the impact of prior period items.

The Medicare Advantage segment pre-tax operating income for full year 2016 was $48.4 million, an increase of $27.0 million compared to full year 2015. Full year 2016 included $7.6 million of net favorable prior year items compared to $4.0 million of net favorable items for full year 2015.

The Medicare Advantage segment pre-tax operating income for fourth quarter 2016 was $0.8 million, a decrease of $2.1 million compared to fourth quarter 2015. The fourth quarter includes seasonally high sales and marketing expenses to support the Annual Election Period (AEP). Fourth quarter 2016 included $0.6 million of net favorable prior period items compared to $0.3 million of net unfavorable prior period items in fourth quarter 2015.

Texan Plus®, a 4.5-Star plan, is the largest Medicare HMO in Southeast Texas. Texan Plus® now has 69,200 members. Virtually all of our members in this plan are in value-based payment arrangements. For the fourth quarter of 2016, the reported Medical Benefit Ratio (MBR) in our Texas HMOs was 81.9%. Excluding positive prior period items, the MBR was 82.2% for the fourth quarter. For full year 2016, the reported MBR in our Texas HMOs was 82.5% and 83.0% excluding prior period items.

Our Northeast markets added approximately 2,000 members during the 2017 AEP and we now have more than 47,400 members with a large concentration in upstate New York. For fourth quarter 2016, the reported MBR was 84.1% and 83.7% excluding prior period items. For full year 2016, the reported MBR in our Northeast markets was 83.3% and 83.1% excluding prior period items.

Our administrative expense ratio increased to 11.2% for full year 2016 compared to 10.8% for the same period in 2015 largely due to higher sales and marketing costs. For fourth quarter 2016, our administrative expense ratio increased to 14.2% compared to 13.1% for the same period in 2015. Our administrative expense ratio is typically higher in the fourth quarter as a result of sales and marketing costs incurred in that period.

Medicare Advantage 2017 Stars

As previously announced, the enrollment-weighted Star rating for Universal American's Medicare Advantage membership increased from 3.98 in 2016 to 4.15 Stars in 2017 reflecting the quality of care delivered to our enrolled Medicare beneficiaries. Approximately 70% of our members are currently enrolled in plans awarded 4 Stars or higher. A summary of these ratings is presented below:

2017 Universal American Medicare Advantage Plans

Contract	Plan Name	Location	January 2017 Members	2016 Star Rating	2017 Star Rating
H4506	Texan Plus® HMO	Southeast Texas	69,200	4.0	4.5
H2775	Today's Options PPO	Northeast	19,800	4.0	4.0
H0174	Texan Plus® D-SNP	Southeast Texas	500	4.0	4.0
H2816	Today's Options Network PFFS	Northeast	27,600	4.0	3.5
H5656	Texan Plus® HMO	North Texas (Dallas)	2,400	3.0	3.0

Management Services Organization (MSO)

Financial Performance ($ in millions)	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	Year Ended December 31, 2016	Year Ended December 31, 2015
MSSP Shared Savings Revenue:				
Gross Shared Savings	$ -	$ -	$ 39.8	$ 26.9
ACO Partner Share	-	-	(10.6)	(6.0)
Net MSSP Shared Savings Revenue	-	-	29.2	20.9
Next Generation ACO estimated loss	2.9	-	1.7	-
Other operating income and expenses	10.7	10.6	37.0	41.0
Segment loss before income taxes	$ (13.6)	$ (10.6)	$ (9.5)	$ (20.1)

The MSO segment includes our ACO business, in which we collaborate with primary care physicians and other healthcare professionals to operate ACOs under the Medicare Shared

Savings Program (MSSP) and the Next Generation ACO model. In 2017, we will have 14 MSSP ACOs and two Next Generation ACOs with approximately 221,800 assigned Medicare fee-for-service beneficiaries.

As previously announced, on July 29, 2016, the Centers for Medicare & Medicaid Services (CMS) informed us that our Medicare Shared Savings Program (MSSP) ACOs generated $97 million in gross savings for program year 2015. This compared to $80 million in gross savings for program year 2014. Ten of our ACO's qualified for shared savings payments in program year 2015, compared to nine in program year 2014, and received gross shared savings payments of $39.8 million, compared to $26.9 million in program year 2014. Our share of these payments, after payments to our physician partners increased to $28.5 million from $20.9 million in the prior year, and is reflected in equity in (losses) earnings of unconsolidated subsidiaries in our consolidated statements of operations. We received these payments during the third quarter of 2016. Quality scores improved for all of our ACOs with start dates prior to 2015, indicating an improvement in healthcare management resulting from enhanced physician engagement.

The ten ACOs that qualified for shared savings payments for program year 2015 met quality standards and savings thresholds established by Medicare. In addition to the ten ACOs that received shared savings, eight other ACOs achieved savings but did not exceed the minimum savings threshold in order to qualify for a shared savings payment. Together, these eighteen ACOs generated $97 million in total savings for the Medicare program.

Effective January 1, 2017, our new Maryland/Virginia-based ACO formed in partnership with high-performing primary care physicians was selected by CMS to become a Next Generation ACO, a value-based payment model that encourages providers to assume greater risk and reward in coordinating the healthcare of Medicare Fee-For-Service (FFS) beneficiaries. This Next Generation ACO has approximately 28,100 beneficiaries as of January 1, 2017.

Our MSO segment generated a pre-tax loss of $9.5 million for the year ended 2016 compared to a loss of $20.1 million in the same period of 2015. The Next Generation ACO in Texas recorded an estimated loss of $1.7 million in 2016 based on information provided by CMS. Operating expenses for the year ended December 31, 2016 were $37.0 million compared to $40.9 million for the year ended December 31, 2015, reflecting fewer active ACOs in 2016.

Corporate & Other

Financial Performance ($ in millions)	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue	$ 0.9	$ 0.3	$ 2.3	$ 7.2
Segment loss before income taxes	$ (10.8)	$ (11.0)	$ (37.4)	$ (40.2)

Our Corporate & Other segment reflects the activities of our parent holding company, debt service and other ancillary operations, including support services provided to the buyers of the Traditional Insurance business, Total Care Medicaid Plan and the APS Healthcare businesses, through Transition Services Agreements.

Dividends on our Preferred Stock were $0.9 million and $3.4 million for the three and twelve month periods ended December 31, 2016, respectively. Interest expense on our Convertible Notes, which were issued in June 2016, was $2.2 million and $4.5 million, respectively, for the three and twelve month periods ended December 31, 2016, including $1.0 million and $2.1 million, respectively, of non-cash interest expense.

Discontinued Operations

Discontinued Operations includes our Traditional Insurance business and the Total Care Medicaid Plan, which were sold in August 2016, and the APS Healthcare businesses, which were sold in 2015.

The following table presents the components comprising the (loss) income from discontinued operations before income taxes:

Financial Performance ($ in millions)	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	Year Ended December 31, 2016	Year Ended December 31, 2015
Total Care Medicaid:				
Operating results	$ (0.1)	$ 1.0	$ (4.2)	$ 0.1
Gain on Sale	-	-	20.4	-
Total Medicaid	(0.1)	1.0	16.2	0.1
Traditional Insurance:				
Operating results	1.6	(23.7)	10.9	(16.3)
Realized gains	-	-	0.2	0.1
(Loss) gain on Sale	(2.3)	(149.2)	0.5	(149.2)
Total Traditional	(0.7)	(172.9)	11.6	(165.4)
APS Healthcare:				
Total APS Healthcare (1)	0.4	(1.4)	39.9	(23.1)
(Loss) income before income taxes	$ (0.4)	$ (173.3)	$ 67.7	$ (188.4)

(1) 2016 amounts include earn-out revenues and litigation settlement, while 2015 amounts include initial loss on sale of APS Healthcare.

Investment Portfolio

As of December 31, 2016, Universal American had $356.0 million of cash and invested assets as follows:

- 50% is invested in U.S. Government and agency securities;
- The average credit quality of the investment portfolio is AA-; and
- Less than 1% of the investment portfolio is non-investment grade.

A complete listing of our fixed income investment portfolio as of December 31, 2016 is available for review in the financial supplement located in the Investors – Financial Reports section of our website, www.UniversalAmerican.com.

Balance Sheet and Liquidity

As of December 31, 2016, Universal American's Balance Sheet had the following characteristics:

- Unregulated cash and investments of $102.9 million;
- Total cash and investments were $356.0 million and total assets were $785.6 million, including $229.8 million in assets of discontinued operations;
- Total policyholder liabilities were $82.9 million and total liabilities were $516.2 million, including $237.8 million in liabilities of discontinued operations;
- Stockholders' equity was $269.4 million and book value was $4.57 per diluted common share;
- Tangible book value per diluted common share (excluding accumulated other comprehensive income, goodwill and amortizing intangibles) was $3.39;
- $115 million of convertible senior notes with a carrying value of $96.5 million which bear cash interest of 4.0% per annum and an annual effective interest rate of 8.5%; and
- $40.0 million of mandatorily redeemable preferred stock, reported as a liability, with an annual dividend rate of 8.5%, which will mature in May 2017.

As of December 31, 2016, the ratio of debt to total capital, excluding the effect of AOCI and including Universal American's convertible senior notes and mandatorily redeemable preferred stock as debt, was 38.1%.

Conference Call

Given the pending transaction with WellCare, Universal American is not hosting a conference call in conjunction with this earnings release and does not expect to do so for future quarters.

About Universal American Corp.
Universal American (NYSE: UAM), through our family of healthcare companies, provides health benefits to people covered by Medicare. We are dedicated to working collaboratively with healthcare professionals, especially primary care physicians, in order to improve the health and well-being of those we serve and reduce healthcare costs. For more information on Universal American, please visit our website at www.UniversalAmerican.com.

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Forward Looking Statements
This news release and oral statements made from time to time by our executive officers may contain "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, known as the PSLRA. Such statements that are not historical facts are hereby identified as forward-looking statements and intended to be covered by the safe harbor provisions of the PSLRA and can be identified by the use of the words "believe," "expect," "predict," "project," "potential," "estimate," "anticipate," "should," "intend," "may," "will," and similar expressions or variations of such words, or by discussion of future financial results and events, strategy or risks and uncertainties, trends and conditions in our business and competitive strengths, all of which involve risks and uncertainties.

Where, in any forward-looking statement, we or our management expresses an expectation or belief as to future results or actions, there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished. Our actual results may differ materially from our expectations, plans or projections. We warn you that forward-looking statements are only predictions and estimates, which are inherently subject to risks, trends and uncertainties, many of which are beyond our ability to control or predict with accuracy and some of which we might not even anticipate. We give no assurance that we will achieve our expectations and we do not assume responsibility for the accuracy and completeness of the forward-looking statements. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements as a result of many factors, including the risk factors described in the risk factor section of our SEC reports.

A summary of the information set forth in the "Risk Factors" section of our SEC reports and other risks includes, but is not limited to the following: the risk that the WellCare Transaction may not be completed in a timely manner or at all, which may adversely affect our business and the price of our common stock; the failure to satisfy the conditions to the consummation of the WellCare Transaction, including the receipt of certain governmental and regulatory approvals; the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement with WellCare; the effect of the announcement or pendency of the WellCare Transaction on our business relationships, operating results, and business generally, including risks related to the WellCare Transaction disrupting current plans and operations and potential difficulties in employee retention as a result of the transaction; risks related to diverting management's attention from our ongoing business operations; we are subject to extensive government regulation and frequent audit and the potential that CMS and/or other regulators could impose significant fines, penalties or operating restrictions on

Universal American, including with respect to CMS audits, False Claims Act matters or Risk Adjustment Data Validation (“RADV”) audits; the Affordable Care Act, including efforts to repeal and replace the Affordable Care Act, could have a material adverse effect on our opportunities for growth and our financial results; we are investing significant capital and management attention in new and unproven business opportunities, including our Accountable Care Organizations (“ACOs”), where we take two-sided risk , that may not be profitable; the impact of the Centers for Medicare and Medicaid Services’ (“CMS”) Advance Notice regarding Medicare Advantage reimbursement rates for calendar year 2018 could have a material adverse effect on Universal American’s MA business; we may experience higher than expected medical loss ratios or lower revenues, especially with our new members in our Northeast markets, which could materially adversely affect our results of operations; If we are unable to develop and maintain satisfactory relationships with the providers of care to our members and ACO beneficiaries, our business and overall profitability could be materially adversely affected; if we fail to design and price our products properly and competitively or if the premiums and fees we charge are insufficient to cover the cost of health care services delivered to our members, our profitability may be materially adversely affected; our significant shareholders may have interests that are different than other shareholders and may sell or distribute their stock which could cause the price of our stock to decline; changes in governmental regulation or legislative reform could increase our costs of doing business and adversely affect our profitability; reductions in funding for Medicare programs could materially reduce our profitability; failure to reduce our operating and corporate costs could have a material adverse effect on our financial position, results of operations and cash flows; we may not be able to maintain or improve our CMS Star ratings which may cause certain of our plans to receive less bonuses or rebates than our competitors; changes in governmental regulation or legislative reform, including the impact of Sequestration, could reduce our revenues, increase our costs of doing business and adversely affect our profitability; a substantial portion of our revenues are tied to our Medicare businesses and regulated by CMS and if our government contracts are not renewed or are terminated, our business could be substantially impaired; any failure by us to manage our operations or to successfully complete or integrate acquisitions, dispositions and other significant transactions could harm our financial results, business and prospects; we could be subject to a cyber-attack or similar network breach that could damage our reputation and have a material adverse effect. Other unknown or unpredictable factors could also have material adverse effects on future results, performance or achievements of Universal American.

All forward-looking statements included in this release are based upon information available to Universal American as of the date of the release, and we assume no obligation to update or revise any such forward-looking statements.

(Tables to follow)

UNIVERSAL AMERICAN CORP. AND SUBSIDIARIES
SELECTED CONSOLIDATED FINANCIAL DATA
In millions, except per share amounts
(Unaudited)

Consolidated Results	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	Year Ended December 31, 2016	Year Ended December 31, 2015
Net premiums	$ 337.6	$ 321.8	$ 1,366.7	$ 1,246.0
Net investment income	2.3	2.2	8.6	12.0
Other income	1.0	0.3	2.9	4.5
Realized gains	-	5.3	1.4	38.9
Total revenues	340.9	329.6	1,379.6	1,301.4
Policyholder benefits	285.7	272.6	1,153.8	1,074.5
Amortization of intangible assets	0.2	0.5	0.9	2.1
Affordable Care Act fee	5.4	6.4	21.7	25.5
Commissions and general expenses, net of allowances	63.6	55.0	205.1	189.6
Total benefits and expenses	354.9	334.5	1,381.5	1,291.7
(Loss) income before equity in (losses) earnings of unconsolidated subsidiaries	(14.0)	(4.9)	(1.9)	9.7
Equity in (losses) earnings of unconsolidated subsidiaries	(9.6)	(8.5)	5.0	(9.6)
(Loss) income from continuing operations before income taxes	(23.6)	(13.4)	3.1	0.1
Income tax (benefit) expense (1)	(6.2)	(3.8)	9.4	(3.8)
Net loss from continuing operations	(17.4)	(9.6)	(6.3)	(3.7)
Discontinued operations				
(Loss) income from discontinued operations before income taxes	(0.4)	(173.3)	67.7	(188.4)
Income tax expense (benefit)	0.7	(21.3)	6.0	(28.1)
(Loss) income from discontinued operations	(1.1)	(152.0)	61.7	(160.3)
Net (loss) income	$ (18.5)	$ (161.6)	$ 55.4	$ (164.0)
Per Share Data (Diluted)				
Continuing operations	$ (0.31)	$ (0.12)	$ (0.09)	$ (0.04)
Discontinued operations	(0.02)	(1.84)	0.87	(1.95)
Net (loss) income	$ (0.33)	$ (1.96)	$ 0.78	$ (1.99)
Diluted weighted average shares outstanding	56.6	82.6	70.7	82.4

UNIVERSAL AMERICAN CORP. AND SUBSIDIARIES
SELECTED CONSOLIDATED FINANCIAL DATA
In millions, except per share amounts
(Unaudited)

Income (loss) before income taxes by Segment	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	Year Ended December 31, 2016	Year Ended December 31, 2015
Medicare Advantage	$ 0.8	$ 2.9	$ 48.4	$ 21.5
MSO	(13.6)	(10.6)	(9.5)	(20.1)
Corporate & Other	(10.8)	(11.0)	(37.4)	(40.2)
Realized gains	-	5.3	1.4	38.9
(Loss) income before income taxes – continuing operations	$ (23.6)	$ (13.4)	$ 3.1	$ 0.1

BALANCE SHEET DATA	December 31, 2016
Total cash and investments	$ 356.0
Total assets	$ 785.6
Total policyholder related liabilities	$ 82.9
Total reinsurance recoverable (ceded policyholder liabilities)	$ 1.1
Convertible senior notes due 2021* - principal balance	$ 115.0
Mandatorily redeemable preferred shares* - principal balance	$ 40.0
Total stockholders' equity	$ 269.4
Diluted book value per common share	$ 4.57
Diluted common shares outstanding at balance sheet date	58.9
Non-GAAP Financial Measures *	
Total stockholders' equity (excluding AOCI) *	$ 269.8
Diluted book value per common share (excluding AOCI) * (2)	$ 4.58
Diluted tangible book value per common share (excluding AOCI) * (3)	$ 3.39
Debt to total capital ratio (excluding AOCI) * (4)	38.1%

	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	Year Ended December 31, 2016	Year Ended December 31, 2015
Adjusted net (loss) income(5)	$ (7.8)	$ (5.9)	$ 1.6	$ (16.6)
Adjusted net (loss) income per share (diluted)	$ (0.14)	$ (0.07)	$ 0.02	$ (0.20)

* Non-GAAP Financial Measures - See supplemental tables on the following pages of this release for a reconciliation of these items to financial measures calculated under U.S. generally accepted accounting principles (GAAP).

(1) The effective tax rate on continuing operations was 26.0% for the fourth quarter of 2016 compared to 28.6% for the fourth quarter of 2015. For each of the years ended December 31, 2016 and 2015, the effective tax rate on continuing operations was a provision in excess of 100%. The effective rate in 2016 and 2015 differs from the expected benefit of the 35% federal rate due to permanent items, primarily the ACA fee and preferred dividends, as well as state income taxes, net of non-recurring tax benefits. Non recurring tax benefits included in income taxes amounted to $0.6 million and $6.4 million for the years ended December 31, 2016 and 2015, respectively. The 2016 benefit relates primarily to release of a reserve on foreign tax credits. The 2015 benefit primarily relates to $4.3 million in foreign tax credit carryforwards created in connection with the February 2015 sale of APS Puerto Rico, net of valuation allowance and a $2.4 million net capital loss created in connection with the Traditional Insurance business fair value adjustment, net of valuation allowance. Any utilization of these tax benefits in the future will require sufficient taxable income, of the appropriate character, from continuing sources; consequently, they are included in continuing operations.

[2] Diluted book value per common share (excluding AOCI) represents Total Stockholders' Equity, excluding accumulated other comprehensive income ("AOCI"), plus assumed proceeds from the exercise of vested, in-the-money options, divided by the total shares outstanding plus the shares assumed issued from the exercise of vested, in-the-money options.

[3] Tangible book value per common share represents Total Stockholders' Equity, excluding AOCI and intangible assets plus assumed proceeds from the exercise of vested, in-the-money options, divided by the total shares outstanding plus the shares assumed issued from the exercise of vested, in-the-money options.

[4] The Debt to Total Capital Ratio (excluding AOCI) is calculated as the ratio of the principal balance of our Convertible senior notes and Mandatorily Redeemable Preferred Shares to the sum of Stockholders' Equity (excluding AOCI) plus the principal balance of our Convertible senior notes and Mandatorily Redeemable Preferred Shares reported as liabilities.

[5] Adjusted net (loss) income is calculated as net loss excluding the following items on after-tax basis: ACO results, net realized gains, non-recurring tax benefit, discontinued operations, non-cash interest and development-related transaction costs.

UNIVERSAL AMERICAN CORP. AND SUBSIDIARIES
SUPPLEMENTAL FINANCIAL INFORMATION
NON-GAAP FINANCIAL MEASURES
In millions, except per share amounts
(Unaudited)

Universal American uses both GAAP and non-GAAP financial measures to evaluate the Company's performance for the periods presented in this press release. You should not consider non-GAAP measures to be an alternative to measurements required by GAAP. Because Universal American's calculation of these measures may differ from the calculation of similar measures used by other companies, investors should be careful when comparing Universal American's non-GAAP financial measures to those of other companies. We have not included a reconciliation of projected earnings per diluted share because projections for some components of this reconciliation are not possible to forecast at this time. The key non-GAAP measures presented in our press release, including reconciliation to GAAP measures, are set forth below.

Adjusted Net (Loss) Income ($ in millions, except per share amounts)

	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	Year Ended December 31, 2016	Year Ended December 31, 2015
Net (loss) income	$ (18.5)	$ (161.6)	$ 55.4	$ (164.0)
ACO results, after-tax	8.8	7.0	6.2	13.0
Net realized gains, after-tax	-	(4.0)	(1.5)	(25.3)
Non-recurring tax benefit	(0.3)	(1.3)	(0.6)	(6.5)
Discontinued operations, after-tax	1.1	152.0	(61.7)	160.3
Non-cash interest, after-tax	0.7	-	1.4	-
Transaction costs, after-tax	0.4	2.0	2.4	5.9
Adjusted net (loss) income	$ (7.8)	$ (5.9)	$ 1.6	$ (16.6)
Per share (diluted)				
Net (loss) income	$ (0.33)	$ (1.96)	$ 0.78	$ (1.99)
ACO results, after-tax	0.16	0.09	0.09	0.16
Net realized gains, after-tax	-	(0.05)	(0.02)	(0.31)
Non-recurring tax benefit	(0.01)	(0.01)	(0.01)	(0.08)
Discontinued operations, after-tax	0.02	1.84	(0.87)	1.95
Non-cash interest, after-tax	0.01	-	0.02	-
Transaction costs, after-tax	0.01	0.02	0.03	0.07
Adjusted net (loss) income	$ (0.14)	$ (0.07)	$ 0.02	$ (0.20)

Universal American uses adjusted net (loss) income, calculated as net (loss) income excluding the after-tax impact of ACO results, net realized gains, non-recurring tax benefit, discontinued operations, non-cash interest and transaction costs as a basis for evaluating operating results. Although the excluded items may recur, we believe that the excluded items do not relate to the performance of Universal American's core business operations and that adjusted net (loss) income provides a more useful comparison of our business performance from period to period.

UNIVERSAL AMERICAN CORP. AND SUBSIDIARIES
SUPPLEMENTAL FINANCIAL INFORMATION
NON-GAAP FINANCIAL MEASURES

In millions, except per share amounts
(Unaudited)

Total Stockholders' Equity (excluding AOCI)		December 31, 2016		December 31, 2015
Total stockholders' equity	$	269.4	$	382.4
Less: Accumulated other comprehensive income		0.4		(2.7)
Total stockholders' equity (excluding AOCI)	$	269.8	$	379.7

Universal American uses total stockholders' equity (excluding AOCI), as a basis for evaluating growth in equity on both an absolute dollar basis and on a per share basis, as well as in evaluating the ratio of debt to total capitalization. We believe that fluctuations in stockholders' equity that arise from changes in unrealized appreciation or depreciation on investments, as well as changes in the other components of accumulated other comprehensive income or loss, do not relate to the performance of Universal American's core business operations.

Diluted Book Value per Common Share		December 31, 2016		December 31, 2015
Total stockholders' equity	$	269.4	$	382.4
Proceeds from assumed exercises of vested options		-		-
	$	269.4	$	382.4
Diluted common shares outstanding		58.9		84.9
Diluted book value per common share	$	4.57	$	4.51
Total stockholders' equity (excluding AOCI)	$	269.8	$	379.7
Proceeds from assumed exercises of vested options		-		-
	$	269.8	$	379.7
Diluted common shares outstanding		58.9		84.9
Diluted book value per common share (excluding AOCI)	$	4.58	$	4.47

As noted above, Universal American uses total stockholders' equity (excluding AOCI), as a basis for evaluating growth in equity on a per share basis. We believe that fluctuations in stockholders' equity that arise from changes in unrealized appreciation or depreciation on investments, as well as changes in the other components of accumulated other comprehensive income, do not relate to the performance of Universal American's core business operations.

Tangible Book Value per Common Share		December 31, 2016		December 31, 2015
Total stockholders' equity (excluding AOCI)	$	269.8	$	379.7
Less: intangible assets (1)		(70.0)		(73.1)
Proceeds from assumed exercises of vested options		-		-
Tangible Book Value	$	199.8	$	306.6
Diluted common shares outstanding		58.9		84.9
Tangible book value per common share	$	3.39	$	3.61

Universal American uses Tangible book value per common share as a basis for evaluating the value of the Company's tangible net assets.

(1) Intangible assets include the following at December 31, 2016 and December 31, 2015, respectively: goodwill ($68.4 million) and amortizing intangible assets, net of taxes ($1.6 million and $4.7 million).

UNIVERSAL AMERICAN CORP. AND SUBSIDIARIES
SUPPLEMENTAL FINANCIAL INFORMATION
NON-GAAP FINANCIAL MEASURES
In millions, except per share amounts
(Unaudited)

Debt to Total Capital Ratio	December 31, 2016	December 31, 2015
Convertible senior notes – principal balance	$ 115.0	$ -
Mandatorily redeemable preferred shares – principal balance	40.0	40.0
Total outstanding debt	$ 155.0	$ 40.0
Total stockholders' equity	$ 269.4	$ 382.4
Convertible senior notes – principal balance reported as liability (1)	96.5	-
Mandatorily redeemable preferred shares – principal balance	40.0	40.0
Total capital	$ 405.9	$ 422.4
Debt to total capital ratio	38.2%	9.5%
Total stockholders' equity (excluding AOCI)	$ 269.8	$ 379.7
Total outstanding bank debt	96.5	-
Mandatorily redeemable preferred shares	40.0	40.0
Total capital	$ 406.3	$ 419.7
Debt to total capital ratio (excluding AOCI)	38.1%	9.5%

(1) The principal balance of the convertible senior notes has been allocated between its liability and equity components, as required under GAAP. At December 31, 2016, $96.5 million was recorded as a liability and the balance was reflected in equity in additional paid-in-capital ($20.6 million) net of amortization expense recorded in retained deficit ($2.1 million).

As noted above, Universal American uses total stockholders' equity (excluding AOCI), as a basis for evaluating the ratio of debt to total capital. We believe that fluctuations in stockholders' equity that arise from changes in unrealized appreciation or depreciation on investments, as well as changes in the other components of accumulated other comprehensive income, do not relate to the performance of Universal American's core business operations.

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