BEFORE THE INSURANCE DEPARTMENT OF THE COMMONWEALTH OF PENNSYLVANIA

Statement Regarding the Acquisition of Control of or Merger with Domestic Insurers:

Highmark Inc.; First Priority Life Insurance Company, Inc.; Gateway Health Plan, Inc.; Highmark Casualty Insurance Company; Highmark Senior Resources Inc.; HM Casualty Insurance Company; HM Health Insurance Company, d/b/a Highmark Health Insurance Company; HM Life Insurance Company; HMO of Northeastern Pennsylvania, Inc., d/b/a First Priority Health; Inter-County Health Plan, Inc.; Inter-County Hospitalization Plan, Inc.; Keystone Health Plan West, Inc.; United Concordia Companies, Inc.; United Concordia Dental Plans of Pennsylvania, Inc.; United Concordia Life and Health Insurance Company

By UPE, a Pennsylvania nonprofit corporation

SUPPLEMENTAL RESPONSE TO PID INFORMATION REQUESTS 3.2 AND 3.3 FROM THE PENNSYLVANIA INSURANCE DEPARTMENT

Information Requests 3.2 and 3.3

3.2. For each governmental, regulatory, corporate and/or contractual notices, filings, consents and/or approvals that are or reasonably may be required for or in connection with the Transaction provide:

- 3.2.1 The name, address of the entity that must give the consent or approval;
 - A. Internal Revenue Service Covington, Kentucky 41012
 - B. Office of the Attorney General Charitable Trusts and Organizations Section 564 Forbes Avenue Pittsburgh, PA 15219
 - C. Court of Common Pleas of Allegheny County, Orphans' Court Division
 1700 Frick Building
 437 Grant Street
 Pittsburgh, PA 15219

 D. Pennsylvania Insurance Department 1326 Strawberry Square Harrisburg, PA 17120

3.2.2 The specific notices, filings, consents or approval(s) that will be required.

- A. UPE and UPE Provider Sub must receive determinations from the Internal Revenue Service that they qualify for exemption under section 501(a) of the Internal Revenue Code of 1986 (the "Code") as organizations described in sections 501(c)(3) and 509(a)(3) of the Code. The parties have submitted Applications for Recognition of Exemption (Forms 1023) seeking these determinations. On March 1, 2012, UPE and UPE Provider Sub were notified verbally that their Applications for Recognition have been approved by the IRS.
- B. The parties must receive a letter from the Pennsylvania Attorney General's Office, Charitable Trusts and Organizations Section (the "Office"), to the effect that the Office does not object to the Transaction.
- C. The parties must receive an order of the Court of Common Pleas of Allegheny County, Orphans' Court Division, approving the Transaction and finding that the Transaction does not result in a diversion of charitable assets.
- D. The Insurance Department must consent to "assignment" of the Children's Health Insurance Program Agreement.

3.2.3 The timing of the notices, filings, consents or approvals, together with citation to the statutory, regulatory or contractual provision requiring such notice, consent or approval.

- A. See Response to 3.2.2.
- B. The Attorney General's Office, Charitable Trusts and Organizations Section, is reviewing the Transaction and has acknowledged the need to act on an expedited basis. The review is being conducted in accordance with the Attorney General's Review Protocol for Fundamental Change Transactions for healthcare organizations.
- C. The petition for approval by the Court of Common Pleas of Allegheny County, Orphans' Court Division, will be filed upon receipt of the no objection letter from the Attorney General's Office. The Orphans' Court has jurisdiction over the Transaction under Rule No. 2156 of the Pennsylvania Rules of Judicial Administration and under Section 711(3) of the Probate, Estates and Fiduciaries Code, 20 P.C.S.A. § 711(3).

D. The approval by the Insurance Department must be simultaneous with Closing of the Transaction pursuant to terms of the Agreement.

3.2.4 Whether contact has been made with the entity regarding the Transaction and, if so, provide the name, address, telephone number and email address of the individual(s) at the entity who was contacted.

Contacts have been made as follows:

A. Joseph J. Laux Internal Revenue Service P.O. Box 2508 Cincinnati, OH 45201 (513) 263-3594

- B. Mark Pacella Senior Deputy Attorney General Charitable Trusts and Organizations Section 14th Floor Strawberry Square Harrisburg, PA 17120 (717) 783-2853 mpacella@attorneygeneral.gov
- C. No contact has been made
- D. No contact has been made.

3.2.5 Provide a complete copy of any written material that has been submitted to any Person (other than Highmark and WPAHS Entities and their directors, officers, employees and agents) regarding the Transaction and any response to such written material.

- A. Confidential written materials have been submitted in response to Request 5.1.1.7.
- B. Confidential written materials have been submitted in response to Request 3.5.
- C. No submissions.
- D. No submissions.

3.3. Explain the process for obtaining each consent and approval set forth this Section 3 and the expected timeline or schedule for each.

See responses to 3.2.2 and 3.3.3.

UPE 120 Fifth Avenue Pittsburgh, PA 15222