

**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

**RESPONSE TO INFORMATION REQUEST 2.4.3.9. FROM THE  
PENNSYLVANIA INSURANCE DEPARTMENT**

**Information Request 2.4.3.9.**

**Explain in detail the criteria used in determining the nature and amount of the  
Consideration and provide a copy of all Expert Opinions relating thereto.**

**RESPONSE:**

Neither UPE nor Highmark is “acquiring” WPAHS. The term “Consideration” is consequently not completely accurate as a reflection of the Transaction. The nature and amount of the funding commitments reflected in the Affiliation Agreement were determined by management and board representatives of both Highmark and WPAHS. The decision regarding the final amount was informed by due diligence work completed by Alvarez & Marsal during the spring and summer of 2011 to determine capital adequacy and funds required to meet WPAHS debt covenant compliance. This analysis is detailed in the WPAHS Turnaround Plan which was included in the confidential supplement to the Form A filing.

**UPE**  
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