## 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 REQUEST 4.3.12 FROM THE PENNSYLVANIA INSURANCE DEPARTMENT

## **REQUEST 4.3.12:**

Discuss any changes to the tax status of Highmark, any Highmark Affiliate, WPAHS and/or WPAHS Affiliate as a result of the Transaction or anticipated within the next 5 years.

## **RESPONSE:**

No change is anticipated to the tax status of WPAHS or any WPAHS Affiliate that is now exempt from federal income tax under Internal Revenue Code ("IRC") Section 501(a) by reason of being an organization described in IRC Section 501(c)(3). Moreover, Section 7.5 of the Affiliation Agreement contains the agreement of WPAHS, Highmark and the other parties to the Affiliation Agreement not to make any change that would reasonably be expected to cause any of them to cease to be an organization described in IRC Section 501(c)(3) for a period of four years after the Closing; Section 7.5 also states that the parties have no present intention to make any such changes after the expiration of such four-year period.

West Penn Allegheny Health System 30 Isabella St., Suite 300 Pittsburgh, PA 15212