

**BEFORE THE INSURANCE DEPARTMENT
OF THE
COMMONWEALTH OF PENNSYLVANIA**

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

**Hospital Service Association of Northeastern Pennsylvania
d/b/a Blue Cross of Northeastern Pennsylvania;
First Priority Life Insurance Company, Inc.;
HMO of Northeastern Pennsylvania, Inc.,
d/b/a First Priority Health**

By Highmark Inc.

**BCNEPA RESPONSE TO INFORMATION REQUEST 2.1.8 FROM
THE PENNSYLVANIA INSURANCE DEPARTMENT**

REQUEST 2.1.8:

Provide an analysis of the effect of the Transaction on any existing insurance policies of the Highmark Entities or BCNEPA Entities, including if the Transaction results in a termination of any claims-made policies or requires the purchase of any tail or extended reporting policy.

RESPONSE:

BCNEPA certifies to the best of its knowledge, information and belief that it is unaware of the effect the Transaction will have on any existing insurance policies of the BCNEPA Entities. BCNEPA has been informed by Highmark that Highmark will complete a review of all insurance policies and make a determination if BCNEPA should seek consent to assign certain policies or whether Highmark will add the BCNEPA Entities into its existing policies and terminate the BCNEPA policies. Furthermore, please refer to BCNEPA's response to Request 4.2.1 and Attachment 2.1.8 for a listing of BCNEPA's insurance policies as set forth on Section 2.1(p)(i) of the BCNEPA Disclosure Schedule and the ability to transfer the rights and duties under those policies.

**Hospital Service Association of
Northeastern Pennsylvania
d/b/a Blue Cross of Northeastern
Pennsylvania ("BCNEPA")
19 North Main Street
Wilkes-Barre, PA 18711**