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 2.1.10 FROM THE PENNSYLVANIA INSURANCE DEPARTMENT

REQUEST 2.1.10:

Provide an analysis of how the Applicant has determined that there is no cash consideration for the Transaction in light of its commitments to employment and assumption of debt, including, without limitation, contingent debt and charitable commitments.

RESPONSE:

BCNEPA certifies to the best of its information, knowledge and belief that it interprets this request as being directed to Highmark and therefore BCNEPA will not be providing a substantive response.

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