

**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 3.1 FROM
THE PENNSYLVANIA INSURANCE DEPARTMENT**

REQUEST 3.1:

Describe: (i) all steps and process undertaken by or for Highmark that satisfy the obligation of Highmark to conduct a Commercially Reasonable Process (as defined in the 2013 Highmark Order) to evaluate and assess the benefits and risks to policyholders, subscribers or other stakeholders, as applicable, and whether the Financial Commitment to be undertaken in connection with the Transaction furthers and is consistent with the Highmark Entity's nonprofit mission, if the Highmark Entity is exempt from Federal taxation pursuant to Section 501(e)(3) of the Internal Revenue Code; and (ii) how the terms of any Financial Commitment shall satisfy the provisions of 40 P.S. § 991.1405, as if the Financial Commitment transaction were made or agreed to be made between or among members of the holding company system.

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**