

**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.

**HIGHMARK INC. (“Highmark”) RESPONSE TO INFORMATION
REQUEST 4.8 FROM
THE PENNSYLVANIA INSURANCE DEPARTMENT**

REQUEST 4.8:

Provide a full and complete copy of any press release or public announcement, issued by the Applicant and/or any Highmark Entity or BCNEPA Entity regarding or referencing the Transaction.

RESPONSE:

Highmark certifies to the best of its knowledge, information and belief that there have been two press releases regarding or referencing the Transaction which are attached hereto.

**Highmark Inc.
Fifth Avenue Place
120 Fifth Avenue
Pittsburgh, PA 15222**

November 12, 2013 -- Blue Cross of Northeastern Pennsylvania and Highmark Inc. sign letter of intent to pursue stronger affiliation

<https://www.highmark.com/hmk2/newsroom/pressreleases/2013/pr111213.shtml>

Highmark Inc.

Blue Cross of Northeastern Pennsylvania and Highmark Inc. sign letter of intent to pursue stronger affiliation

Wilkes-Barre, Pa. (Nov. 12, 2013) — Blue Cross of Northeastern Pennsylvania (BCNEPA), headquartered in Wilkes-Barre, Pa., announced today the signing of a letter of intent with Highmark Inc., headquartered in Pittsburgh, to pursue a stronger affiliation between the two not-for-profit health insurance leaders.

The signing of the letter of intent enables the two organizations to conduct detailed discussions and perform necessary due diligence, with the goal of creating greater efficiencies and value for the benefit of their members and customers.

"For 75 years, BCNEPA and Highmark have been leaders in providing quality, affordable health care coverage to the people of their regions under the strength of the Blue Cross Blue Shield brand," said Denise S. Cesare, president and CEO of Blue Cross of Northeastern Pennsylvania.

"Our two companies have enjoyed a long and successful history of collaboration, providing a solid foundation from which to pursue an even stronger affiliation," Cesare added. "I am confident that the result of our discussions will best serve the long-term needs of the residents and communities across BCNEPA's 13 counties — maintained regional presence, representation, employment and enhanced products."

"Highmark views the northeastern Pennsylvania region and the opportunity to enhance our partnership with BCNEPA as very important to the community," said William Winkenwerder, Jr., M.D., president and CEO of Highmark Health, the parent company of Highmark Inc. "We are excited about this opportunity and what a closer affiliation can accomplish for the benefit of BCNEPA members in the northeastern and north central Pennsylvania market."

Together, BCNEPA and Highmark provide health insurance plans that serve more than 5.4 million members in 62 of Pennsylvania's 67 counties, as well as in Delaware and West Virginia. Both organizations have been recognized for maintaining their not-for-profit mission and strong service to their customers and communities while driving innovative health care solutions for the future.

The companies will have no further comment until the next phase of private discussions has been completed.

About Blue Cross of Northeastern Pennsylvania

Headquartered in Wilkes-Barre, Pa., Blue Cross of Northeastern Pennsylvania is an independent licensee of the Blue Cross and Blue Shield Association. BCNEPA offers a comprehensive portfolio of health insurance products and administrative services to more than 540,000 individuals in 13 counties in northeastern and north central Pennsylvania. The company's mission is to provide integrated health care services and products to improve the quality, accessibility and affordability of health care in the populations it serves. For more information, visit www.bcnepa.com.

About Highmark Inc.

Highmark is a national diversified health and wellness company based in Pittsburgh that serves 33.5 million people across the United States through its businesses in health insurance, dental insurance, vision care and information technology. Highmark is also part of a larger entity that also includes an integrated health care delivery network. The company, which has more than 20,000 employees, is among the largest health insurers in the U.S. and the fourth-largest Blue Cross and Blue Shield-affiliated company. Highmark operates health insurance plans in Pennsylvania, Delaware and West Virginia that serve 5.3 million members.

The company also offers health and wellness products to clients with employees throughout the country and is a recognized leader in reinsurance. In addition, Highmark operates more than 600 optical retail stores (Visionworks) and four U.S.-based eyewear manufacturing facilities. Highmark is an independent licensee of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield companies. For more information, visit www.highmark.com.

For more information, contact:

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February 18, 2014 -- Blue Cross of Northeastern Pennsylvania and Highmark Inc. sign definitive merger agreement

<https://www.highmark.com/hmk2/newsroom/pressreleases/2014/pr021814b.shtml>

Highmark Inc.

Blue Cross of Northeastern Pennsylvania and Highmark Inc. sign definitive merger agreement

Highmark files for approval with Pennsylvania Insurance Department

WILKES-BARRE, Pa. and PITTSBURGH (Feb. 18, 2014) — The boards of directors of Blue Cross of Northeastern Pennsylvania (BCNEPA) and Highmark Inc. (Highmark) today announced the signing of a definitive agreement to merge, marking a key milestone in bringing together the two not-for-profit health insurance leaders to better serve the communities of northeastern and north central Pennsylvania.

"This definitive agreement meets the goals we established when we set out to explore options for BCNEPA's future," said Denise S. Cesare, president and CEO of Blue Cross of Northeastern Pennsylvania. "The merger will allow us to create greater efficiencies and offer new products and services to meet the changing health care needs of our members, customers, providers and the people of northeastern and north central Pennsylvania."

Highmark has submitted a Form A filing to the Pennsylvania Insurance Department (PID) to seek merger approval.

"Health care is changing at an incredible pace. This merger will enable BCNEPA to continue to improve the quality, accessibility and affordability of health care across its region while taking advantage of Highmark's resources, tools and advanced technologies," said William Winkenwerder Jr., M.D., president and CEO of Highmark Health, the parent company of Highmark Inc. "Bringing together BCNEPA and Highmark will be good for northeastern and north central Pennsylvania residents and the communities in which BCNEPA operates."

Under the terms of the merger agreement, which builds on the two organizations' longstanding and successful collaboration, BCNEPA's local operations will be merged with Highmark, and Highmark will become the Blue Cross and Blue Shield Association affiliate for BCNEPA's 13-county service area.

The agreement also contains provisions that are designed to preserve BCNEPA's historical presence, operations and significant workforce in northeastern and north central Pennsylvania. For example:

Highmark will maintain regional operations in the BCNEPA service area, will make efforts to maintain local staffing levels and will attempt to identify and create new employment opportunities in the BCNEPA service area as business needs and conditions permit.

Highmark will create a local advisory board to include board members of BCNEPA, which will have a voice in major decisions relating to the transition and operations in the BCNEPA service area for at least four years.

Highmark and BCNEPA agreed that BCNEPA will provide up to \$100 million through a charitable foundation to benefit health and wellness and economic development efforts across the region.

"Highmark has a strong track record of successful relationships and affiliations with other Blue Cross and Blue Shield companies," said Deborah Rice-Johnson, president of Highmark Health Plan for Highmark Inc. "The merger will preserve jobs and maintain the strong presence of a Pennsylvania-based not-for-profit organization that is committed to the economic vitality of northeastern and north central Pennsylvania."

Together, BCNEPA and Highmark provide health insurance plans that serve nearly 5 million members in 62 of Pennsylvania's 67 counties as well as in Delaware and West Virginia. Both organizations have been recognized for maintaining a strong commitment to community and strong service to their customers while driving innovative health care solutions for the future.

About Blue Cross of Northeastern Pennsylvania

Headquartered in Wilkes-Barre, Pa., Blue Cross of Northeastern Pennsylvania is an independent licensee of the Blue Cross and Blue Shield Association. BCNEPA offers a comprehensive portfolio of health insurance products and administrative services to more than 545,000 individuals in 13 counties in northeastern and north central Pennsylvania. The company's mission is to provide integrated health care services and products to improve the quality, accessibility and affordability of health care in the populations it serves. For more information, visit www.bcnepa.com.

About Highmark Inc.

Highmark Inc. is among the largest health insurers in the United States and the fourth-largest Blue Cross and Blue Shield-affiliated company. Highmark and its diversified businesses and affiliates operate health insurance plans in Pennsylvania, Delaware and West Virginia that serve 5.2 million members. Its diversified health businesses serve group customer and individual health needs across the United States through dental insurance, vision care and other related health businesses. Highmark is an independent licensee of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield companies. For more information, visit www.highmark.com.

For more information, contact:

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