

**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 5.4.3.6 FROM
THE PENNSYLVANIA INSURANCE DEPARTMENT**

REQUEST 5.4.3.6:

Provide a full and complete copy of all Expert Opinions supporting or not supporting the reasonableness of the compensation arrangements. Explain all limitations on, and guidelines for, post-consolidation compensation.

RESPONSE:

Since there are no anticipated changes to the current compensation arrangements of the officers or members of the senior management team of any Highmark Entity that will occur if the Transaction is or is not completed, Highmark understands that it is not required to provide any written Expert Opinions in response to this Request at this time.

Highmark does not intend to change its current compensation practices as a result of the Merger and, over time, it expects that such practices will be implemented for former BCNEPA employees who become Highmark employees. Section 6.2 of the Merger Agreement sets forth certain limitations on, and guidelines for, post-consolidation compensation which will be applicable to certain BCNEPA employees.

**Highmark Inc.
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