

**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 2.4.1 FROM
THE PENNSYLVANIA INSURANCE DEPARTMENT**

REQUEST 2.4.1:

Provide a full and complete description of all Financial Relationships of any Highmark Entity with any BCNEPA Entity or of any current or former BCNEPA Entity with any Highmark Entity.

RESPONSE:

BCNEPA certifies to the best of its knowledge, information, and belief that the Financial Relationships of any Highmark Entity with any BCNEPA Entity or of any current or former BCNEPA Entity with any Highmark Entity consist of Highmark Inc.'s ownership of 40.1% of the shares of First Priority Life Insurance Company and 40% of the shares of HMO of Northeastern Pennsylvania d/b/a First Priority Health.

Highmark and BCNEPA also work together in contractual arrangements that do not rise to the definition of a Financial Relationship, including but not limited to, the following: Joint Operating Agreement for Freedom Blue, Master Data Center IT Infrastructure Agreement, and Joint Operating Agreement for Indemnity Products. For additional information on these contractual relationships between BCNEPA and Highmark please refer to the attachment to Request 2.1.4.

BCNEPA also maintains Marketing and Agency Agreements with Highmark subsidiaries for vision and dental products that do not rise to the definition of a Financial Relationship.

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