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 5.4 FROM THE PENNSYLVANIA INSURANCE DEPARTMENT

REQUEST 5.4:

In addition to information otherwise requested in this PID Request for Information that may be relevant to the issues addressed in this Section, provide the following information relating to 40 P.S. § 991.1402(f)(1)(iv) - "The plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable and fail to confer benefit on policyholders of the insurer and are not in the public interest."

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