

**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  
5.2.18.11 FROM  
THE PENNSYLVANIA INSURANCE DEPARTMENT**

**REQUEST 5.2.18.11:**

**With regard to any Joint Venture in effect since January 1, 2012: Please provide any Documents or other materials regarding impediments to any Highmark Entity, BCNEPA Entity and/or a Joint Venture to expand operations outside of its current service area into other areas in Pennsylvania or elsewhere.**

**(A) How, if at all, will the Transaction affect any such impediment?**

**RESPONSE:**

Highmark certifies to the best of its knowledge, information and belief as follows:

With regard to each of FPH and FPLIC, which are the only Joint Ventures in effect since January 1, 2012 (see Highmark’s response to Request 5.2.18.1), Highmark is not aware of any Documents or other materials regarding impediments to any Highmark Entity, BCNEPA Entity and/or a Joint Venture to expand operations outside of its current service area into other areas in Pennsylvania or elsewhere. Highmark notes that the Blue Cross Primary License Agreements between Highmark Health and BCBSA, the Blue Cross Controlled Affiliate License Agreement by and among BCBSA, Highmark Health and Highmark, the Blue Shield Controlled Affiliate License Agreements by and among BCBSA, Highmark Health and each of FPLIC and FPH, respectively, all of which have been previously provided to the Department with Highmark’s confidential response to Request 6.1.1.5, and the Blue Cross Controlled Affiliate License Agreements by and among BCBSA, BCNEPA and each of FPLIC and FPH, limit the service areas in which FPH and FPLIC can operate on a Blue branded basis. Upon closing of the Transaction, the limitations set forth in the BCBSA license agreements will remain in effect.

**Highmark Inc.  
Fifth Avenue Place  
120 Fifth Avenue  
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