

**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 2.1.8 FROM
THE PENNSYLVANIA INSURANCE DEPARTMENT**

REQUEST 2.1.8:

Provide an analysis of the effect of the Transaction on any existing insurance policies of the Highmark Entities or BCNEPA Entities, including if the Transaction results in a termination of any claims-made policies or requires the purchase of any tail or extended reporting policy.

RESPONSE:

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

The Transaction will have no effect on any existing insurance policies of the Highmark Entities. Based on the nature of the Transaction, Highmark believes that the existing insurance policies of BCNEPA and the BCNEPA Entities will be terminated at the time of closing. Based on its due diligence investigation, however, Highmark does not believe that any tail or extended reporting policy will be required. Upon closing, Highmark intends to take action to immediately incorporate all prior BCNEPA coverage into Highmark’s insurance program with appropriate endorsements to cover prior acts and with no lapse in coverage.

**Highmark Inc.
Fifth Avenue Place
120 Fifth Avenue
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