

**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 5.2.18.10 FROM  
THE PENNSYLVANIA INSURANCE DEPARTMENT**

**REQUEST 5.2.18.10:**

**With regard to any Joint Venture in effect since January 1, 2012: Please provide any Documents or other materials that discuss plans of any Highmark Entity, BCNEPA Entity and/or any Joint Venture to expand its geographic area of operations and/or product offerings? (A) How, if at all, will the Transaction affect any such expansion plans?**

**RESPONSE:**

BCNEPA certifies to the best of its information, knowledge and belief the following:

FPH and FPLIC can only offer branded blue products within 13 counties to comply with the national Blue Cross and Blue Shield Association exclusive service territories. BCNEPA can offer unbranded products outside of the 13 counties but has no plans to do so. Neither BCNEPA, nor FPH nor FPLIC have any plans to significantly alter their current product offerings.

(A). BCNEPA is not aware of any expansion plans, except as stated above, or of any effect the Transaction would have on any such plans.

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