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 5.3.8 FROM THE PENNSYLVANIA INSURANCE DEPARTMENT

REQUEST 5.3.8:

Provide assessments for the cost and timeline of integrating the Highmark and BCNEPA Entities into the organizational structure proposed to exist after the Transaction is completed, along with any third party reports supporting such cost estimates.

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