

**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 SUPPLEMENTAL INFORMATION REQUEST
2.4.1 FROM
THE PENNSYLVANIA INSURANCE DEPARTMENT**

SUPPLEMENTAL REQUEST 2.4.1(via letter from PID dated August 27, 2014)

Required Action:

(1) State specifically, with respect to the quoted definition, why BCNEPA believes that the contractual arrangements identified in C. above do not rise to the definition of a Financial Relationship.

(2) For each contract or other arrangement that falls within the definition Financial Relationship, provide a complete response to the Request regarding these contractual matters.

RESPONSE:

BCNEPA hereby supplements its prior response to this Request.

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

(1) BCNEPA understands, based upon discussions with the PID's counsel, that the PID intended that all arrangements between any Highmark Entity and any BCNEPA Entity, including contractual arrangements, fall within the definition of a Financial Relationship.

(2) The grid previously provided by BCNEPA with its confidential response to Request 2.1.4 provides a full and complete description of all contractual arrangements (other than the Merger Agreement) between any BCNEPA Entity and any Highmark Entity. These contractual arrangements and Highmark's ownership of shares of FPLIC and FPH as previously

described in BCNEPA's prior response to Request 2.4.1, constitute all Financial Arrangements between any BCNEPA Entity and any Highmark Entity.

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