BEFORE THE INSURANCE DEPARTMENT OF THE COMMONWEALTH OF PENNSYLVANIA

Statement Regarding the Acquisition of Control of or Merger with Domestic Insurers:

Highmark Inc.; First Priority Life Insurance Company, Inc.;
Gateway Health Plan, Inc.; Highmark Casualty Insurance Company;
Highmark Senior Resources Inc.; HM Casualty Insurance Company;
HM Health Insurance Company, d/b/a Highmark Health Insurance Company;
HM Life Insurance Company; HMO of Northeastern Pennsylvania, Inc.,
d/b/a First Priority Health; Inter-County Health Plan, Inc.;
Inter-County Hospitalization Plan, Inc.; Keystone Health Plan West, Inc.;
United Concordia Companies, Inc.; United Concordia Dental Plans of Pennsylvania, Inc.;
United Concordia Life and Health Insurance Company

By UPE, a Pennsylvania nonprofit corporation

RESPONSE TO PID INFORMATION REQUEST 4.3.11 FROM THE PENNSYLVANIA INSURANCE DEPARTMENT

Information Request 4.3.11

Provide a full and complete copy of all documents evidencing the guarantee by any other entity of any obligations of any Highmark or WPAHS Entity or any Highmark and WPAHS Entity's guarantee of any obligation of any other Person. If otherwise included in the Form A filing and accompanying material, specifically identify the relevant document(s) and where such documents are included in the Form A filing and accompanying materials.

RESPONSE:

UPE understands that Highmark has issued guarantees of all customer-related contractual and financial obligations of Keystone Health Plan West, Inc., a wholly owned subsidiary health maintenance organization ("HMO"), Highmark Senior Resources Inc., a wholly owned insurance subsidiary, HMO of Northeastern Pennsylvania, Inc., d/b/a First Priority Health, a nonprofit HMO, 40% of the stock of which is held by Highmark, HM Health Insurance Company, d/b/a Highmark Health Insurance Company, Highmark West Virginia Inc., d/b/a Highmark Blue Cross Blue Shield West Virginia, a controlled affiliate, and Highmark BCBSD Inc., d/b/a Blue Cross Blue Shield of Delaware, a controlled affiliate. These guarantees satisfy a requirement of the Blue Cross and Blue Shield Association ("BCBSA") related to the use of the registered Blue

Cross and Blue Shield service marks by controlled affiliates and/or the requirements of the Centers for Medicare & Medicaid Services ("CMS") pertaining to Medicare Risk HMOs.

Highmark guarantees a \$15,000,000 revolving credit facility for its wholly owned subsidiary United Concordia Companies, Inc. ("UCCI") from a third-party lender. At December 31, 2011, there were no amounts outstanding under this credit facility.

Highmark is party to a guarantee agreement with the United States Department of Defense – TRICARE Management Activity ("TMA") pursuant to which Highmark guarantees the performance of UCCI under UCCI's TRICARE Dental Plan ("TDP") contract. After a competitive procurement process, TMA did not award a new TDP contract to UCCI. The current TDP contract will expire on April 30, 2012. TMA, at its discretion, may further extend UCCI's contract for up to three one-month extensions that would run through July 31, 2012.

Highmark issued a Guaranty, dated as of September 28, 2007, in favor of CMS to secure performance by Highmark Medicare Services Inc. ("HMS") of a contract pursuant to which HMS provides certain Medicare Part A and B administrative services. On January 3, 2012, Highmark sold its interest in HMS to Diversified Service Options, Inc. ("DSO"), a Florida corporation. DSO, in conjunction with Highmark, is in the process of seeking to have Highmark's guarantee released.

UPE 120 Fifth Avenue Pittsburgh, PA 15222