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 Northern 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 2.2.1 FROM THE PENNSYLVANIA INSURANCE DEPARTMENT

REQUEST 2.2.1:

Except for reserved powers specifically described in Exhibit F to the Affiliation Agreement, provide a full description of any contracts, arrangements or understandings with respect to any membership interest, investment interest or other interest by which UPE Controls or has a right to Control any of Highmark, Highmark Affiliate, WPAHS, or WPAHS Affiliate in which the Applicant, its Affiliates or any Person listed in Item 3 of the Form A is involved (or is expected to be involved in the future), including but not limited to transfer of any interest, joint venture, loan or option agreement, puts or calls, guarantees of loans, guarantees against loss, or guarantees or profits, division of losses or profits, or the giving or withholding of proxies. The description shall identify the Person with whom such contracts, arrangements or understandings have been entered into.

RESPONSE:

As set forth in Item 6 of UPE 's Form A filing with the Department, upon the consummation of the affiliation transaction, UPE will acquire the following indirect ownership interests in the following Highmark Affiliates:

• 40.1% of the stock of First Priority Life Insurance Company, Inc.

- 49% limited partnership interest and 1% general partnership interest (through Highmark Ventures Inc. a wholly-owned subsidiary of Highmark) in Gateway Health Plan, LP, the sole shareholder of Gateway Health Plan, Inc.
- 100% of the stock of HM Health Insurance Company, d/b/a Highmark Health Insurance Company
- 100% of the stock of Highmark Senior Resources, Inc.
- 100% of the stock of HM Insurance Group, Inc., the sole shareholder of Highmark Casualty Insurance Company, HM Casualty Insurance Company, and HM Life Insurance Company
- 40% of the stock of HMO of Northeastern Pennsylvania, Inc., d/b/a First Priority Health
- 50% of the membership of Inter-County Health Plan, Inc.
- 50% of the membership of Inter-County Hospitalization Plan, Inc.
- 100% of the stock of Keystone Health Plan West, Inc.
- 100% of the stock of United Concordia Companies, Inc. and its wholly-owned subsidiaries United Concordia Dental Plans of Pennsylvania, Inc. and United Concordia Life and Health Insurance Company

Except as set forth above, there are no plans for UPE to enter into any other comparable contracts, arrangements or undertakings of the type described in Request 2.2.1.

UPE 120 Fifth Avenue Pittsburgh, PA 15222