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 4.1.4.1 FROM THE PENNSYLVANIA INSURANCE DEPARTMENT

REQUEST 4.1.4.1:

In connection with such analysis, describe the assumptions underlying the analysis and the reasonableness of such assumptions

RESPONSE:

UPE understands that the confidential memorandum referred to in the Response to Request 4.1.4 outlines the broad assumptions underlying the analysis for health companies (page 5) and non-health subsidiary companies (page 6). Additional detail about the assumptions related to each of the health insurance companies is summarized in the respective company's confidential Business Plan for Acquisitions, Mergers, and Redomestications (Form DOI-135) which accompanied the memorandum (Highmark -- Exhibit D, Highmark Senior Resources -- Exhibit H, HM Health Insurance Company -- Exhibit I, and Keystone Health Plan West -- Exhibit J).

UPE 120 Fifth Avenue Pittsburgh, PA 15222