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 4.1.4 FROM THE PENNSYLVANIA INSURANCE DEPARTMENT

REQUEST 4.1.4:

Provide an analysis for Highmark and each Highmark Affiliate of the adequacy of capital and liquidity so as to meet relevant requirements

RESPONSE:

UPE understands that Highmark manages capital at the parent company level. Highmark has cash of approximately \$700 million and investments (stocks and bonds) of approximately \$2.3 billion as of September 30, 2011. The confidential portion of the Form A filing included a memorandum outlining the adequacy of capital for Highmark and each Highmark Affiliate, as measured by RBC (Tab 8, page 8).

UPE 120 Fifth Avenue Pittsburgh, PA 15222