

**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

SUPPLEMENTAL RESPONSE TO PID INFORMATION REQUEST 3.5
FROM THE PENNSYLVANIA INSURANCE DEPARTMENT

Information Request 3.5

Provide a full and complete copy of any communication (whether by letter, email or otherwise) and/or other document provided to and/or received from any governmental or regulatory entity related to the Transaction that is not otherwise required to be submitted in connection with this PID Information Request. "Governmental or regulatory entity" includes but is not limited to, the Pennsylvania Attorney General's Office, the Pennsylvania General Assembly, departments or agencies of the Commonwealth (other than the Pennsylvania Insurance Department), other state insurance departments, the United States Department of Justice, the Federal Trade Commission, other department or agencies of the United States or any other state, and any political subdivision or other governmental unit.

RESPONSE:

Attached is additional correspondence sent to or received by local counsel with respect to change of control filings required by other state insurance departments.

UPE
120 Fifth Avenue
Pittsburgh, PA 15222

DELAWARE

MITCHELL || WILLIAMS

Frederick K. Campbell
 Direct Dial: 501-688-8882
 Fax: 501-918-7882
 E-mail: rcampbell@mwlaw.com

425 West Capitol Avenue, Suite 1800
 Little Rock, Arkansas 72201-3525
 Telephone: 501-688-8800
 Fax: 501-688-8807

Doak Foster
 Direct Dial: 501-688-8841
 Fax: 501-918-7841
 E-mail: dfoster@mwlaw.com

September 6, 2012

FEDERAL EXPRESS

Michael Houghton, Esq.
 Leslie Polizoti, Esq.
 Brenda Mayrack, Esq.
 Morris, Nichols, Arsht & Tunnell, LLP
 1201 North Market Street, 18th Floor
 Wilmington, DE 19801

Re: February 14, 2012 Form A Statement Regarding the
 Acquisition of Control of Highmark BCBSD, Inc. by UPE:
Applicant's Tenth Set of Responses to Department's First Set of Requests for
 Production

Dear Mike, Leslie and Brenda:

This letter and the attached disk constitute Applicant's tenth set of responses to your requests of March 19, 2012. The first response was submitted on April 5, 2012, the second response was submitted on April 12, 2012, the third response was submitted on April 19, 2012, the fourth response was submitted on April 27, 2012, the fifth response was submitted May 9, 2012, the sixth was submitted on May 11, 2012, the seventh was submitted on June 15, 2012, the eighth response was submitted on July 26, 2012 and the ninth response was submitted on August 22, 2012.

RESPONSES TO REQUESTS FOR PRODUCTION

REQUEST I: PENNSYLVANIA INSURANCE DEPARTMENT REQUESTS

5.2.1 Describe the powers that will be reserved to UPE as the corporate member of Highmark and provide documentation of such powers. Describe the powers, if any, that will be reserved to UPE in the articles of incorporation, bylaws or other document of any Highmark Affiliates and provide a copy of such.

Supplemental Response: See response to PID contained on the attached disk labeled "PUBLIC DOCUMENTS" and Bates numbered DE-DOI-0030335 through DE-DOI-0030363.

Michael Houghton, Esq.
Leslie Polizoti, Esq.
Brenda Mayrack, Esq.
September 6, 2012
Page 2

5.2.2 What limits, if any, will exist upon completion of the Transaction on the ability of UPE to amend (or cause the amendment) of the articles of incorporation or bylaws of Highmark or any Highmark Affiliate?

Supplemental Response: See response to PID contained on the attached disk labeled "PUBLIC DOCUMENTS" and Bates numbered DE-DOI-0030335 through DE-DOI-0030363.

RESPONSES TO DEPARTMENT'S ADDITIONAL REQUESTS

10. Provide a "redline" or comparison document showing any proposed changes to the Articles of Incorporation and Bylaws of Highmark and BCBSD as a result of the Proposed Transaction.

Supplemental Response: A redlined copy of the proposed Second Amended and Restated Bylaws of Highmark Inc. as a result of the Proposed Transaction, referred to as Exhibit E in the Affiliation Agreement, is included on the attached disk labeled "PUBLIC DOCUMENTS" at Bates numbers DE-DOI-0030335 through DE-DOI-0030363.

11. Provide complete information regarding the "Reserved Powers of the Corporate Member," which is currently designated as "To be determined by Highmark prior to the Closing," in Section 3.3.2 of the Second Amended and Restated Bylaws of Highmark Inc. (Exhibit E to Affiliation Agreement for the West Penn Transaction).

Supplemental Response: A redlined copy of the proposed Second Amended and Restated Bylaws of Highmark Inc. as a result of the Proposed Transaction, referred to as Exhibit E in the Affiliation Agreement, is included on the attached disk labeled "PUBLIC DOCUMENTS" at Bates numbers DE-DOI-0030335 through DE-DOI-0030363.

As always, we greatly appreciate your assistance and are available to answer any questions that you may have.

Sincerely,

MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, PLLC

By


Frederick K. Campbell

FKC/ka
Enclosures

Michael Houghton, Esq.
Leslie Polizoti, Esq.
Brenda Mayrack, Esq.
September 6, 2012
Page 3

cc: William E. Kirk III (w/enc.)
Ronald E. Chronister (w/enc.)
Jack Sencak (w/enc.)

RECEIVED SEP - 6 2012

MITCHELL || WILLIAMS

Doak Foster
Direct Dial: 501-688-8841
Fax: 501-918-7841
E-mail: dfoster@mwlaw.com

425 West Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201-3525
Telephone: 501-688-8800
Fax: 501-688-8807

September 6, 2012

VIA FEDERAL EXPRESS

The Honorable Karen Weldin Stewart, CIR-ML
Commissioner of Insurance
Delaware Insurance Department
Rodney Building
841 Silver Lake Boulevard
Dover, Delaware 19904

Attn: Linda Sizemore, CPA, CFE
Director of Company Regulation

Re: **Supplement No. 3 to Form A Statement** Regarding the Acquisition of Control of Highmark BCBSD, Inc. d/b/a BlueCross BlueShield of Delaware ("the Domestic Insurer") by UPE (the "Applicant")

Dear Commissioner Stewart:

The purpose of this letter is to supplement the above-captioned Form A filing with three (3) additional documents.

Enclosed in a sealed envelope marked "**Confidential**" is the original and one copy of the biographical affidavit of William R. Winkenwerder, Jr., President and Chief Executive Officer of UPE and Highmark Inc. The Applicant requests confidentiality of Mr. Winkenwerder's biographical affidavit pursuant to Del. C. § 10002(g)(2), and that (i) the Applicant be notified in advance of any proposed disclosure by the Delaware Insurance Department ("Department") and (ii) the Applicant be given a reasonable opportunity to seek a protective order or take other action to prevent or limit any such disclosure.

We are also enclosing a redlined copy of the proposed Second Amended and Restated Bylaws of Highmark Inc. as a result of the Proposed Transaction. This document is referred to as Exhibit E in the Affiliation Agreement, which in turn is attached as Exhibits A-1 and A-2 to the Form A.

Finally, we are submitting a revised copy of the Post-Affiliation Organizational Chart of UPE. This copy replaces the chart that was attached as Exhibit D to the Form A. You will note the addition of two entities under "UPE Provider Sub": "Provider Group" and "JRMCM." "Provider Group" is simply an organizational chart name or "catch-all" for HMPG Inc., a subsidiary of Highmark Inc. "JRMCM" refers to Jefferson Regional Medical Center, a hospital system in southern Allegheny County, Pennsylvania, with which Highmark Inc. has entered into

Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C. | Attorneys at Law
Arkansas · Texas · New York | MitchellWilliamsLaw.com

UPE-0015329

The Honorable Karen Weldin Stewart, CIR-ML
September 6, 2012
Page 2

a proposed affiliation agreement. It should be noted that the affiliation between Highmark Inc. and JRMC is not an alternative to the proposed Highmark-WPAHS affiliation nor is it dependent on the Pennsylvania Insurance Department's approval of the pending Form A filing in Pennsylvania. Highmark intends to consummate the JRMC transaction regardless of whether the Form A is approved.

We appreciate your assistance and courtesy in working with us on this matter.

Very truly yours,

MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, P.L.L.C.

By


Doak Foster

DF:ka
Enclosures

cc: Michael Houghton, Esquire (w/enclosure)
Mr. Jack Sencak (w/enclosure)
Mr. Ronald E. Chronister (w/enclosure)

UPE-0015330

MITCHELL || WILLIAMS

Frederick K. Campbell
Direct Dial: 501-688-8882
Fax: 501-918-7882
E-mail: rcampbell@mwlaw.com

425 West Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201-3525
Telephone: 501-688-8800
Fax: 501-688-8807

July 23, 2012

VIA FEDERAL EXPRESS

The Honorable Karen Weldin Stewart, CIR-ML
Commissioner of Insurance
Delaware Insurance Department
Rodney Building
841 Silver Lake Boulevard
Dover, Delaware 19904

Attn: Linda Sizemore, CPA, CFE
Director of Company Regulation

Re: Change No. 1 to Form A Statement Regarding the Acquisition of Control of
Highmark BCBSD, Inc. d/b/a BlueCross BlueShield of Delaware ("the Domestic
Insurer") by UPE (the "Applicant")

Dear Commissioner Stewart:

Pursuant to Chapter 50 of the Delaware Insurance Code and Regulation 1801 of the Delaware Administrative Code, we are enclosing for filing on behalf of the Applicant two copies of Change No. 1 to Form A Statement dated July 24, 2012, both of which contain originally executed Signature and Certification pages, regarding the above-captioned change of control of the Domestic Insurer. A filing fee in the amount of \$ 100.00 accompanied the initial filing, and if an additional fee is owed for this submission, please let us know.

Included with Change No. 1 are disks which contain Exhibits F, G, H-1 and H-2. Exhibits H-1 and H-2 are public information and may be treated as such. However, Exhibits F and G are marked "CONFIDENTIAL" and are submitted pursuant to the Department's procedures, protocols and practice (collectively "Protocols") on confidentiality with respect to documents submitted in conjunction with a Form A filing. These documents were submitted to the Pennsylvania Insurance Department with a request that they be treated as confidential under Pennsylvania law. Therefore, we are requesting that these documents also be treated as confidential under Delaware law for the reasons set forth below.

The documents submitted as confidential documents are confidential and protected materials and/or excepted from public disclosure pursuant, *inter alia*, to 29 Del. C. § 10002(g)(2), 18 Del. Admin. Code 908-3.0, and the Protocols. Such documents should be maintained as confidential and should not be made available for public inspection or copying

because they contain the types of information referenced in the various referenced Protocols, statutes and regulations as being trade secrets and commercial or financial information obtained from a person which is of a privileged or confidential nature. The release of the documents could cause substantial material harm to the competitive position of UPE and/or Highmark and/or one or more of their affiliates, including material losses to one or more of such companies.

UPE and Highmark, as well as their affiliates, including but not limited to BCBSD, jointly and severally, request that the Department, any other representative of the State of Delaware (the "State") and/or any consultant to the Department provide written notification to UPE and Highmark in advance of any release of any of the documents submitted with these responses if either the Department or any other agency or representative of the State determines that these documents should not be accorded confidential treatment or the Department, any other representative of the State, or any consultant to the Department receives any request for access to these confidential documents from third parties. Written notification should be made to:

Frederick K. Campbell
Doak Foster
Mitchell, Williams, Selig, Gates & Woodyard, PLLC
425 West Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201
(501) 688-8800
rcampbell@mwlaw.com
dfoster@mwlaw.com

We appreciate the Department's continued courtesy in working with us on this matter.

Sincerely,

MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, P.L.L.C.

By



Frederick K. Campbell

FKC/ka
Enclosures

The Honorable Karen Weldin Stewart, CIR-ML
July 23, 2012
Page 3

cc: Michael Houghton, Esquire (w/enclosures)
Leslie Polizoti, Esquire (w/enclosures)
Brenda Mayrack, Esquire (w/enclosures)
William E. Kirk III, Esquire (w/enclosures)
Ronald E. Chronister, Esquire (w/enclosures)
John Sencak, Esquire (w/enclosures)

CHANGE NO. 1

to

**FORM A
STATEMENT REGARDING THE ACQUISITION
OF CONTROL OF OR MERGER WITH A DOMESTIC INSURER**

**HIGHMARK BCBSD INC.
d/b/a BlueCross BlueShield of Delaware
a Delaware nonstock corporation
(the Domestic Insurer)**

By

**UPE
(the Applicant)**

a Pennsylvania nonprofit corporation

**Filed with the Delaware Department of Insurance
July 24, 2012**

Persons to whom notices and correspondence should be addressed:

Frederick K. Campbell, Esquire
Mitchell, Williams, Selig, Gates & Woodyard, PLLC
425 West Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201-3525
(501) 688-8882
FAX: (501) 918-7882

S. Doak Foster
Mitchell, Williams, Selig, Gates & Woodyard, PLLC
425 West Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201-3525
(501) 688-8841
FAX: (501) 918-7841

with copies to:
William E. Kirk III
BlueCross BlueShield of Delaware
800 Delaware Avenue, Suite 900
Wilmington, Delaware 19801-1368
(302) 421-3416
Fax: (302) 421-3126

Item 1. Insurer and Method of Acquisition.

No change.

Item 2. Identity and Background of the Applicant.

No change

Item 3. Identity and Background of Individuals Associated with the Applicant.

(a) Names and Business Addresses

William Winkenwerder, M.D. has replaced Kenneth R. Melani, M.D., as a member of the Board of Directors of UPE, and as a member of the Board of Directors of Highmark.

William Winkenwerder, M.D. has replaced Kenneth R. Melani, M.D. as Chief Executive Office and President of UPE. Thomas L. VanKirk has replaced Maureen L. Hogel as Secretary of UPE. Both Messrs. Winkenwerder and VanKirk are senior officers of Highmark as well.

Biographical affidavits for Messrs. Winkenwerder and VanKirk will be filed with the Department as supplements to Exhibit E shortly, and background checks on both persons will be supplied directly to the Department by Owens Online Services.

(b) Present Principal Business Activity, Occupation or Employment

No change.

(c) Material Occupations, Positions, Offices or Employment.

No change.

(d) Criminal Proceedings.

No change.

Item 4. Nature, Source and Amount of Consideration.

There will be no cash consideration or exchange of any voting stock of Highmark or any of Highmark's subsidiaries or affiliates. Upon closing of the affiliation between Highmark and WPAHS, UPE will become the Ultimate Controlling Person of the Domestic Insurer, as that term is defined in Delaware Insurance Regulation 1801 § 7.3.

However, under the terms of the Affiliation Agreement, Highmark has agreed to provide funding to WPAHS in an aggregate amount not to exceed \$400 million as follows:

- \$50 million was funded on June 28, 2011 at the time of the execution of the term sheet in order to make capital improvements and fund operations at WPAHS;

- \$100 million was funded on the signing of the Affiliation Agreement and a third funding in the amount of \$50 million was made 180 days after the execution of the Affiliation Agreement. These funding amounts are being deployed pursuant to plans developed by a joint committee of Highmark and WPAHS representatives, provided that the first priority of such funds is to cover WPAHS's operating losses and to prevent or cure a default under the WPAHS Master Indenture; and
- Two additional funding commitments in the form of loans of \$100 million each (conditioned upon the closing of the Affiliation Agreement) will be advanced on the later of the closing or April 1, 2013 and April 1, 2014, respectively; each of these two funding commitments will be reduced by any positive cash flow of the WPAHS affiliated organizations; and
- Beyond the funding commitments described above, the establishment of an endowment fund and a projected one-time contribution of \$1 million to UPE for operating purposes, Highmark has no additional obligation to provide funding or to assume any liabilities of WPAHS and its affiliates.

Item 5. Future Plans of Insurer.

No change.

Item 6. Voting Securities to be Acquired.

No change.

Item 7. Ownership of Voting Securities.

No change.

Item 8. Contracts, Arrangements, or Understandings with Respect to Voting Securities of the Domestic Insurer(s).

No change.

Item 9. Recent Purchases of Voting Securities.

No change.

Item 10. Recent Recommendations to Purchase.

No change.

Item 11. Agreements with Broker-Dealers.

No change.

Item 12. Financial Statements and Exhibits.

Exhibits A-1, A-2, B, C, D, and E

No change

- Exhibit F Supplemented to add updated UPE Financials/Proformas
(CONFIDENTIAL)
The Applicant requests confidentiality of this document pursuant to Del. C. § 10002(g)(2), and that (i) the Applicant be notified in advance of any proposed disclosure by the Department and (ii) the Applicant be given a reasonable opportunity to seek a protective order or take other action to prevent or limit any such disclosure.
- Exhibit G Supplemented to add Highmark's Combined GAAP Financial Statement for the year ended December 31, 2011 **(CONFIDENTIAL)**. The Applicant requests confidentiality of this document pursuant to Del. C. § 10002(g)(2), and that (i) the Applicant be notified in advance of any proposed disclosure by the Department and (ii) the Applicant be given a reasonable opportunity to seek a protective order or take other action to prevent or limit any such disclosure.
- Exhibit H-1 Supplemented to add Annual Statutory Financial Statement for the year 2011 for Highmark and its Insurance Subsidiaries
- Exhibit H-2 Supplemented to add Quarterly Statutory Financial Statement for the quarter ending March 31, 2012 for Highmark and its Insurance Subsidiaries

Item 13. Signature and Certification.

Pursuant to the requirements of Chapter 50 of the Delaware Insurance Code and Regulation 1801 of the Delaware Administrative Code, UPE has caused this Application to be duly signed on its behalf in the City of Pittsburgh and Commonwealth of Pennsylvania on the 20th day of July, 2012.

(SEAL)

APPLICANT

By: Nanette P DeTurk Title: Treasurer
Nanette P. DeTurk

Attest: Thomas L. VanKirk Title: Secretary
By: Thomas L. VanKirk
Thomas L. VanKirk

CERTIFICATION

The undersigned deposes and says that she has duly executed the attached application dated July 20, 2012 for and on behalf of UPE, that she is the Treasurer of such company and that she is authorized to execute and file such instrument. Deponent further says that she is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of her knowledge, information and belief.

Signature: Nanette P DeTurk
Nanette P. DeTurk

Frederick K. Campbell
Direct Dial: 501-688-8882
Fax: 501-918-7882
E-mail: rcampbell@mwlaw.com

425 West Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201-3525
Telephone: 501-688-8800
Fax: 501-688-8807

Doak Foster
Direct Dial: 501-688-8841
Fax: 501-918-7841
E-mail: dfoster@mwlaw.com

June 15, 2012

FEDERAL EXPRESS

Michael Houghton, Esq.
Leslie Polizoti, Esq.
Brenda Mayrack, Esq.
Morris, Nichols, Arsht & Tunnell, LLP
1201 North Market Street, 18th Floor
Wilmington, DE 19801

Re: February 14, 2012 Form A Statement Regarding the
Acquisition of Control of Highmark BCBSD, Inc. by UPE:
Applicant's Seventh Set of Responses to Department's First Set of Requests for
Production

Dear Mike, Leslie and Brenda:

This letter and the attached disk constitute Applicant's seventh set of responses to your requests of March 19, 2012. The first response was submitted on April 5, 2012, the second response was submitted on April 12, 2012, the third response was submitted on April 19, 2012, the fourth response was submitted on April 27, 2012, the fifth response was submitted May 9, 2012, and the sixth was submitted on May 11, 2012.

CONFIDENTIALITY REQUEST

The documents/information submitted with these responses to the Delaware Insurance Department ("Department") by UPE, the Applicant in the Form A, and/or Highmark Inc. ("Highmark") (in those instances where Highmark is the owner and/or provider of the documents/information) that are marked "Confidential" or "Confidential Proprietary Information" are submitted pursuant to the Department's procedures, protocols and practice (collectively "Protocols") on confidentiality with respect to documents/information submitted in conjunction with a Form A filing. These documents were submitted to the PID with a request that they be treated as confidential under Pennsylvania law. Therefore, we are requesting that these documents also be treated as confidential under Delaware law for the reasons set forth below. A disk label bearing the legend "Confidential" shall designate all attached or included materials within the confidentiality designation. Those documents for which we are not requesting confidentiality are contained on a separate disk.

The documents/information submitted as confidential documents/information are confidential and protected materials and/or excepted from public disclosure pursuant, *inter alia*, to 29 Del. C. § 10002(g)(2), 18 Del. Admin. Code 908-3.0, and the Protocols. Such documents

Michael Houghton, Esq.
Leslie Polizoti, Esq.
Brenda Mayrack, Esq.
June 15, 2012
Page 2

should be maintained as confidential and should not be made available for public inspection or copying because they contain the types of information referenced in the various referenced Protocols, statutes and regulations as being trade secrets and commercial or financial information obtained from a person which is of a privileged or confidential nature. The release of the documents/information could cause substantial material harm to the competitive position of UPE and/or Highmark and/or one or more of their affiliates, including material losses to one or more of such companies.

UPE and Highmark, as well as their affiliates, including but not limited to BCBSD, jointly and severally, request that the Department, any other representative of the State of Delaware (the "State") and/or any consultant to the Department provide written notification to UPE and Highmark in advance of any release of any of the documents/information submitted with these responses if either the Department or any other agency or representative of the State determines that these documents should not be accorded confidential treatment or the Department, any other representative of the State, or any consultant to the Department receives any request for access to these confidential documents/information from third parties. Written notification should be made to:

Frederick K. Campbell
Doak Foster
Mitchell, Williams, Selig, Gates & Woodyard, PLLC
425 West Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201
(501) 688-8800
rcampbell@mwlaw.com
dfoster@mwlaw.com

RESPONSES TO REQUESTS FOR PRODUCTION

REQUEST I: PENNSYLVANIA INSURANCE DEPARTMENT REQUESTS

2. Transaction.

2.1. Risk Analysis Issues.

2.1.4 Provide a full and complete analysis of the rights and remedies available to Highmark for any breach or default under the Affiliation Agreement or any other agreement between Highmark and any WPAHS Entity both before and after completion of the Transaction, and a description of any reserves, funds or escrows providing security for such obligations.

Supplemental Response: See supplemental response to PID contained on the attached disk labeled "PUBLIC DOCUMENTS" and Bates numbered DE-DOI-0024762 through DE-DOI-0024763.

4. Compliance with the Statutory Standards.

4.2.6 Provide any documents, studies, projections, estimates, evaluations, analysis, reports, discussions, or other communications relating to:

4.2.6.1 The definition or scope of the geographical markets involved in the Transaction, including whether there is a national, local, regional or other geographic scope for the health insurance market.

Response: A response to this request was filed with the PID on May 8, 2012. However, the response, which includes a formal report prepared by an outside vendor, concerns only the Pennsylvania market and does not impact Delaware.

4.2.6.2 For each identified geographical market, the share of Highmark and each Highmark Affiliate in that market before and after the Transaction and include any studies, evaluations, analysis, reports, discussions or other communications relating to future projections of market share for a period of 5 years.

Response: No response to this request has yet been filed with the PID. However, any such response will have no application as to Delaware, since the only market considered is the Pennsylvania market.

4.2.6.3 The definition of the insurance product or service markets involved in the Transaction, including any subcategory or line of business thereof.

Response: No response to this request has yet been filed with the PID. However, any such response will have no application as to Delaware, since the only market considered is the Pennsylvania market.

4.2.6.4 For each identified insurance product or service market, the share of Highmark and each Highmark Affiliate in that market before and after the Transaction and include any such studies, evaluations, analysis, reports, discussions or other communications relating to future projections of market share for a period of 5 years.

Response: No response to this request has yet been filed with the PID. However, any such response will have no application as to Delaware, since the only market considered is the Pennsylvania market.

4.3.19 Does any Highmark or WPAHS Entity have knowledge of any claim, potential claim or potential liability with respect to false statements/false claims; violations

Michael Houghton, Esq.
Leslie Polizoti, Esq.
Brenda Mayrack, Esq.
June 15, 2012
Page 4

of fraud and abuse, civil monetary penalty, HIPAA, HITECH and/or any anti-kickback statute?

Supplemental Response: See supplemental response to PID contained on the attached disk labeled "PUBLIC DOCUMENTS" and Bates numbered DE-DOI-0024764 through DE-DOI-0024765.

4.3.20 Provide a full and complete copy of any analysis of alternatives to entering into the Transaction, including but not limited to 'worst case scenario' or similar analysis, performed for or provided to WPAHS or any WPAHS Affiliate and the assumptions underlying such analysis.

Response: A response to this request has been filed directly with the PID by WPAHS on a confidential basis. WPAHS asserts that the nature of the response is of such proprietary significance that a copy was not provided to UPE or Highmark. Accordingly, we would ask that the Department contact the PID directly to obtain this response.

5.1.5 Identify and assess the magnitude and likelihood of impediments or risks relating to the Transaction.

Response: See response to PID contained on the attached disk labeled "PUBLIC DOCUMENTS" and Bates numbered DE-DOI-0024766.

REQUEST II. ADDITIONAL REQUESTS

10. Provide a "redline" or comparison document showing any proposed changes to the Articles of Incorporation and Bylaws of Highmark and BCBSD as a result of the Proposed Transaction.

Response: A redlined copy of the proposed Bylaws of Highmark as a result of the Proposed Transaction will be provided as soon as the text of Section 3.3.2 "Reserved Powers of the Corporate Members" is determined. Please note that there is a place-holder as to the reserved powers in the Proposed Second Amended and Restated Bylaws of Highmark found in Exhibit E of the Affiliation Agreement. There will be no changes to Highmark's Articles of Incorporation as a result of the Proposed Transaction. Accordingly, while it is not redlined, for the Department's information, included on the attached disk labeled "PUBLIC DOCUMENTS" at Bates numbers DE-DOI-0024767 through DE-DOI-0024771 is a copy of Highmark's Articles of Incorporation.

There will be no changes in either the Articles of Incorporation or the Bylaws of BCBSD as a result of the Proposed Transaction.

Michael Houghton, Esq.
Leslie Polizoti, Esq.
Brenda Mayrack, Esq.
June 15, 2012
Page 5

As always, we greatly appreciate your assistance and are available to answer any questions that you may have.

Sincerely,

MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, PLLC

By


Frederick K. Campbell

FKC/ka
Enclosure

cc: William E. Kirk III (w/enc.)
Ronald E. Chronister (w/enc.)
Jack Sencak (w/enc.)

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

1201 NORTH MARKET STREET
P.O. BOX 1347
WILMINGTON, DELAWARE 19899-1347

302 658 9200
302 658 3989 FAX

BRENDA R. MAYRACK
302 351 9252
302 425 4693 FAX
bmayrack@mnat.com

May 14, 2012

BY EMAIL AND FIRST CLASS MAIL

Frederick K. Campbell, Esq.
S. Doak Foster, Esq.
Mitchell, Williams, Selig, Gates & Woodyard, PLLC
425 West Capitol Avenue, Suite 1800
Little Rock, AK 72201-3525

Re: February 14, 2012 Form A Statement Regarding the
Acquisition of Control of Highmark BCBSD, Inc. by UPE:
Department's Second Set of Document Requests

Dear Rick and Doak:

The Delaware Department of Insurance (the "Department") continues to conduct its review of the Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer (the "Form A Application"), filed by UPE (the "Applicant" or "UPE") on February 14, 2012, concerning the domestic insurer, Highmark BCBSD Inc., doing business as BlueCross BlueShield of Delaware (the "Domestic Insurer" or "BCBSD").

The Department is in the process of reviewing the responses provided by the Applicant on April 5, 2012, April 12, 2012, April 19, 2012, April 27, 2012, May 9, 2012, and May 11, 2012, and has the following follow-up requests, which primarily concern UPE's April 19, 2012 responses:

Follow-Up to Request II-1.a: Please confirm that BCBSD will remain a non-stock health service corporation after the Proposed Transaction.

Follow-Up to Request II-1.b: Please confirm that the Proposed Transaction will not affect the lines of insurance that Highmark writes in Delaware.

Follow-Up to Request II-1.c: Please address whether UPE or Highmark have any plans beyond those outlined in the response provided in the April 19, 2012 letter to convert loans to WPAHS into grants or to provide additional funding to WPAHS for the period of 2012-2017. In addition, we request that UPE update this response after the "worst-case" scenarios requested by the DOI have been provided.

Frederick K. Campbell, Esq.
S. Doak Foster, Esq.
May 14, 2012
Page 2

Follow-Up to Request II-1.e: Please address whether Dr. Kenneth Melani continues to serve as a Class B member of the Board of Directors of BCBSD. If not, please identify his replacement and provide the required biographical affidavit, if UPE has not already.

Follow-Up to Request II-5: Please address specifically and in detail, with reference to supporting documents as appropriate, with a separate response for each, why the Proposed Transaction will not violate or cause Highmark to be unable to fully perform the following Conditions: 9, 22, 30, 35, and 37.

In addition, for Condition 23(d), please provide any information provided by UPE or Highmark to BCBSD concerning the Proposed Transaction, and provide any board minutes, presentations or correspondence concerning the BCBSD Class A Directors' deliberations and determination that the Proposed Transaction will not constitute a "Triggering Event" and the resultant waiver of BCBSD to take any action with respect to termination of the Affiliation due to the Proposed Transaction.

Follow-Up to Request II-6: Please address specifically and in detail, with reference to supporting documents as appropriate, why the Proposed Transaction will not violate or cause Highmark to be unable to fully perform Conditions 10, 11, and 12.

Follow-Up to Request II-9: UPE's Response, dated April 19, 2012, refers to a document with a Bates-number of DE-DOI-0006968, but this document was not included on either disk provided with the Response. Please provide this document.

Request II-10: UPE's Response, dated April 19, 2012, does not include any response to this request. Please provide the responsive documents which are available on a rolling basis, even if a complete response is not feasible at this time.

Follow-Up to Request II-11: UPE's Response, dated April 19, 2012, is incomplete. We understand that a complete response will be provided shortly, at the beginning of May 2012. Please provide that response as soon as possible.

Follow-Up to Request 4.3.11: UPE's Response, dated April 12, 2012, refers to a document with a Bates-number range of DE-DOI-0000563 through DE-DOI-0000564, but this document was not included on either disk provided with the Response. Please provide this document.

Follow-Up to DE-DOI-0004682 through DE-DOI-0004685: Please provide information regarding to which Request this document responds.

Follow-Up re: DE-DOI-0022243: It appears that UPE provided 2 different documents with this Bates number. One of the documents was responsive to PID Request 2.1.3. It is unclear to which request the other document responds. Please provide the latter with a unique Bates number and clarify to which request it responds.

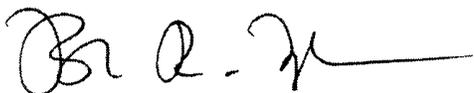
Frederick K. Campbell, Esq.
S. Doak Foster, Esq.
May 14, 2012
Page 3

* * *

As previously noted, to facilitate the Department's timely review of the Form A Application, please provide the information and documents requested below at the offices of Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 18th Floor, Wilmington, Delaware 19801, and/or by email to me (lpolizoti@mnat.com) and to Brenda Mayrack (bmayrack@mnat.com). The Department requests that the Applicant continue to provide its responses as soon as possible and on a rolling basis. Where appropriate, the Applicant may respond by providing the Department access to documents available for related regulatory proceedings in other jurisdictions, including access to any electronic data rooms. These requests are continuing in nature so as to require prompt supplementation if you obtain or discover additional responsive documents. Responses shall include and incorporate documents to support all representations and assertions.

Sincerely,

MORRIS, NICHOLS, ARSHT & TUNNELL LLP



Michael Houghton (No. 2179)
Leslie A. Polizoti (No. 4299)
Brenda R. Mayrack (No. 5253)
*Attorneys for the Delaware Department of
Insurance*

cc: William E. Kirk III

5884438

UPE-0015346

NEW YORK



NEW YORK STATE
DEPARTMENT of
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Benjamin M. Lawsky
Superintendent

July 20, 2012

Nick Pearson, Esq.
Edwards Wildman Palmer & Dodge LLP
750 Lexington Avenue
New York, NY 10022

RE: Application for Approval of the Acquisition of Control of United
Concordia Insurance Company of New York and HM Life Insurance
Company of New York by UPE

Dear Mr. Pearson:

I write in response to the above-referenced application by UPE for approval from the New York Superintendent of Financial Services (“Superintendent”) to acquire control of United Concordia Insurance Company of New York (“UCICNY”) and HM Life Insurance Company of New York (“HM”) and together with UCICNY, the “Domestic Insurers”). The application was submitted to the New York State Department of Financial Services (“Department”) on December 12, 2011 (“Application”).

A. Factual Background

UCICNY is a New York domiciled accident and health insurer, and HM is a New York domiciled life insurer. The Domestic Insurers are wholly-owned indirect subsidiaries of Highmark Inc. (“Highmark”) and are licensed pursuant to Article 42 of the New York Insurance Law. Highmark is a Pennsylvania nonprofit corporation licensed by the Pennsylvania Insurance Department to operate a nonprofit hospital plan and a nonprofit professional health services plan pursuant to the Pennsylvania Health Plan Corporations Act.

The Application is filed pursuant to a proposed affiliation between Highmark and West Penn Allegheny Health System, Inc. for the purpose of forming an integrated health care financing and delivery system in western Pennsylvania subject to the ultimate control of UPE. Highmark has entered into an affiliation agreement dated October 31, 2011 with UPE and the West Penn Allegheny Health System, Inc. (including Canonsburg General Hospital, Alle-Kiski Medical Center and other West Penn Allegheny Health System subsidiaries). Pursuant to the affiliation agreement, at closing UPE, a new Pennsylvania nonprofit corporation, will become the sole corporate member of Highmark. The Domestic Insurers will then become indirect subsidiaries of UPE. There will be no change to the capitalization, organizational structure or any other aspect of the Domestic Insurers as a result of the affiliation. The separate corporate existence of each of the Domestic Insurers will continue and the daily management and boards of directors of each of the Domestic Insurer will remain initially as they were prior to the affiliation.

B. Legal Analysis

The Application was filed pursuant to New York Insurance Law § 1506 and 11 NYCRR § 80-1.6 (Regulation 52). Insurance Law § 1506(a) provides:

- (a) No person, other than an authorized insurer, shall acquire control of any domestic insurer, whether by purchase of its securities or otherwise, unless:
 - (1) it gives twenty days' written notice to the insurer, or such shorter period of notice as the superintendent permits, of its intention to acquire control, and
 - (2) it receives the superintendent's prior approval.

Because UPE is not an authorized insurer within the meaning of Insurance Law § 107(a)(10), it cannot acquire control of the Domestic Insurers without the Superintendent's prior approval.

Insurance Law § 1506(b) guides the Superintendent's inquiry into whether to grant such approval by providing an exclusive list of factors to be considered. That provision reads, in pertinent part, as follows:

- (b) Only the following factors may be considered in making such determination:
 - (1) the financial condition of the acquiring person and the insurer;
 - (2) the trustworthiness of the acquiring person or any of its officers or directors;
 - (3) a plan for the proper and effective conduct of the insurer's operations;
 - (4) the source of the funds or assets for the acquisition;
 - (5) the fairness of any exchange of shares, assets, cash or other consideration for the shares or assets to be received;
 - (6) whether the effect of the acquisition may be substantially to lessen competition in any line of commerce in insurance or to tend to create a monopoly therein; and
 - (7) whether the acquisition is likely to be hazardous or prejudicial to the insurer's policyholders or shareholders.

Regulation 52 similarly sets forth information that an applicant must furnish to the Superintendent when applying for approval of an acquisition of control. The information required includes the identity and background of the applicant; financial statements for the domestic insurer and the applicants; a description of the nature, source, and amount of consideration to be used in effecting the acquisition; and a description of the applicants' objectives in acquiring control. See 11 NYCRR § 80-1.6.

Upon considering the factors set forth in Insurance Law § 1506(b), in light of the representations contained in the Application and its supporting submissions, and in reliance upon the truth of these representations, the Department concludes that the statutory factors weigh in favor of approving the proposed acquisition of control. The Superintendent's findings as to each of the factors are set forth below.

Financial Condition: The Superintendent, through Department staff, has reviewed the respective financial conditions of Highmark, UPE, and the Domestic Insurers and has found no patent conditions that themselves would preclude approval of the Application.

Trustworthiness: A preliminary review of the biographical affidavits of the officers and directors of UPE did not disclose any issues regarding the backgrounds of such individuals that would indicate untrustworthiness. The biographical affidavits submitted have been forwarded to the Department's Albany office for further investigation. The Department has been furnished with commitments that, if after further investigation any such individuals demonstrate untrustworthiness, or do not appear to have the background, character, or integrity needed to meet the standards of the Department, UPE will remove such officer or director.

Plan of Operations: UPE has no current plans to declare any extraordinary dividend, liquidate the Domestic Insurers, sell their assets or merge them with any other entity, or to make any other material change in their business operations, corporate structure, or management. The Department has also received a commitment that UPE will notify the Department if there are any significant deviations from the current operations of UCICNY (including adding new product lines or lines of business), and if so, a new plan of operations and financial projections will be submitted. The Superintendent does not object to the foregoing plans for the Domestic Insurers.

Source of Funds: There will be no cash consideration or exchange of any voting stock of Highmark or any of its subsidiaries or affiliates. Under the terms of the affiliation agreement, however, Highmark has agreed to provide funding to the West Penn Allegheny Health System, Inc. in an aggregate amount not to exceed \$400 million. The Superintendent has no objection with respect to this factor.

Fairness of Consideration: Since there is no cash consideration or exchange of any voting stock, this factor does not apply to this acquisition of control.

Effect on Competition: Based on the information available, the Superintendent has no reason to believe that the proposed acquisition of control will have an adverse effect on competition or create a monopoly in any line of commerce in insurance within New York State.

Potential Hazard to Policyholders: The Application does not indicate any potential hazard to policyholders. UPE has represented that there will be no change in the operations of either of the Domestic Insurers, and has committed to submit a new plan of operations and financial projections if there are any significant deviations in the current operations of UCICNY. In addition, UPE has agreed that, if after full review any of its officers or directors is found to be untrustworthy, it will promptly remove such officer or director. The Superintendent has no objection with respect to this factor.

Based upon the Application and documents furnished in connection therewith, and in reliance upon the facts and representations contained therein, the Superintendent concludes that the above factors weigh in favor of the proposed acquisition of control of the Domestic Insurers by UPE. For that reason, because the acquisition is consistent with Department policy and in view of the fact that the Application satisfies the requirements of Regulation 52, the Application is hereby approved.

Please be advised that, as a result of this transaction, UPE will become the ultimate controlling person of the Domestic Insurers under the definition of "control" set forth in Insurance Law § 1501(a)(2). It will therefore become subject to certain restrictions that Article 15 of the Insurance Law imposes on controlling persons, such as Insurance Law § 1504(b), which authorizes the Superintendent to subject a controlling person to an examination if he has cause to believe that such person's operations may materially affect the operations, management, or financial condition of any controlled insurer and cannot obtain relevant information from the controlled insurer, and Insurance Law § 1506(c)(1)(A), which makes it a violation of the Insurance Law for a controlling person or any of its officers or directors to demonstrate untrustworthiness.

Please also note that, pursuant to Insurance Law § 1503(a), every person who becomes a "controlled insurer" must, within thirty days thereafter, register with the Superintendent, and such registration must be amended within thirty days after any change in the identity of the insurer's holding company. Accordingly, within thirty days after the closing of the acquisition, UCICNY and HM must amend their registrations to reflect the change in identity of their holding company.

Very truly yours,



Eugene Bengert
Deputy General Counsel-Insurance

cc: Martha A. Lees
Stephen Wiest
Christine Gralton
Charles Lovejoy

OHIO

OHIO DEPT. OF INSURANCE
2012 AUG -2 PM 2: 20
RESOURCE MANAGEMENT

August 2, 2012

Via Hand Delivery

Kelly Maynard
Office of Risk Assessment
Ohio Department of Insurance
50 West Town Street
Third Floor, Suite 300
Columbus, OH 43215

RE: Acquisition of Gateway Health Plan of Ohio, Inc. by UPE

Dear Ms. Maynard:

This letter updates the Form A that was filed by UPE on January 17, 2012 ("Filing Date") concerning UPE's proposed acquisition of Gateway Health Plan of Ohio, Inc. (the "Form A"). We are writing because since the Filing Date, there have been various changes in the directors and officers of UPE as well as changes in UPE's organizational structure.

Changes in Directors & Officers of UPE:

On March 30, 2012 we notified the Department that Maureen L. Hogel had resigned as UPE's corporate secretary and that Thomas L. VanKirk had been elected as UPE's corporate secretary, effective March 12, 2012. Mr. VanKirk's biographical affidavit was included in our March 30, 2012 letter.

In addition to the above, Kenneth R. Melani, M.D., is no longer a member of UPE's Board of Directors and no longer serves as UPE's Chief Executive Officer and President. Effective July 17, 2012, William Winkenwerder, M.D. was elected to UPE's Board of Directors and hired as UPE's President and CEO of UPE. We will provide Dr. Winkenwerder's biographical affidavit to the Department as soon as it is available.

Changes in UPE's Organizational Structure:

An updated chart reflecting the identities and organization of Highmark (as defined in the Form A) and its affiliates is enclosed. The revised chart reflects (1) the addition of Highmark BCBSD Inc., d/b/a Highmark Blue Cross Blue Shield of Delaware, as an affiliate, (2) the deletion of Highmark Medicare Services, Inc., which has been sold, and (3) other acquisitions and

Sarah.Chambers@ThompsonHine.com Phone 614.469.3251 Fax 614.469.3361

713151 1

THOMPSON HINE LLP
ATTORNEYS AT LAW

41 South High Street
Suite 1700
Columbus, Ohio 43215-6101

www.ThompsonHine.com
Phone 614.469.3200
Fax 614.469.3361

UPE-0015353

Kelly Maynard
August 2, 2012
Page 2

dispositions related to Highmark's current provider strategy. This chart should replace the chart originally attached to the Form A at Tab B.

Also enclosed is an updated chart reflecting the identities and proposed organization of UPE and its affiliates post-affiliation. This chart should replace the chart originally attached to the Form A at Tab D.

Please contact me with any questions on the information discussed above.

Very truly yours,



Sarah Chambers

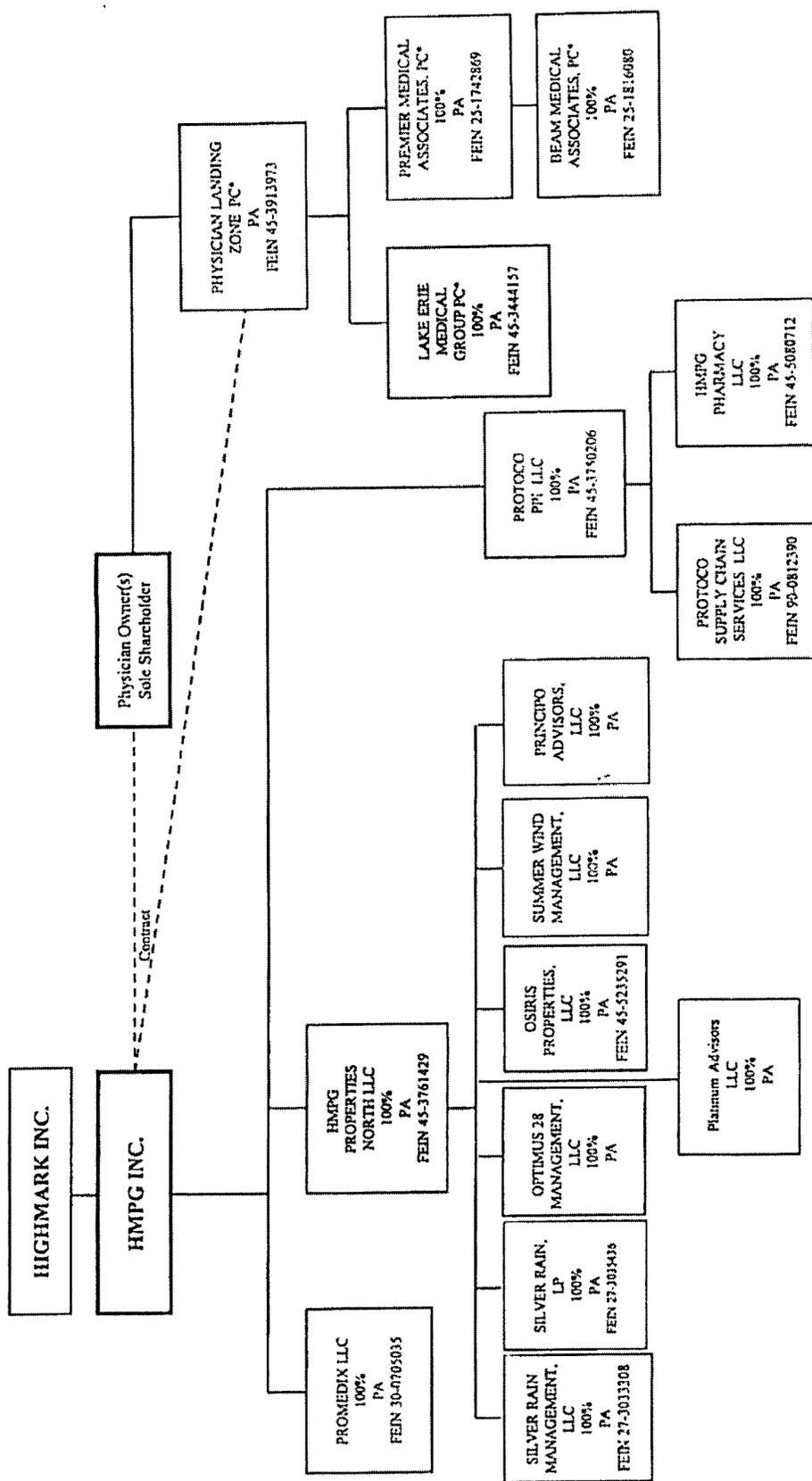
Enclosures

cc: Alan Berliner

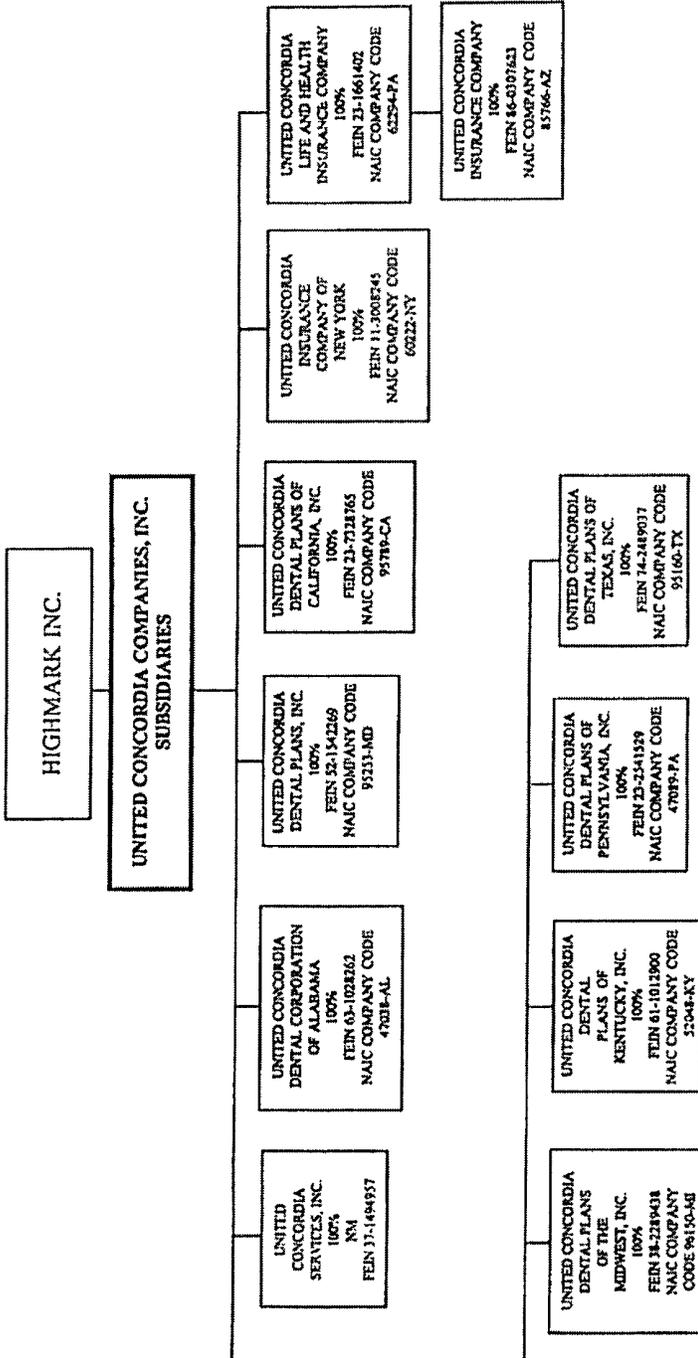
Tab B

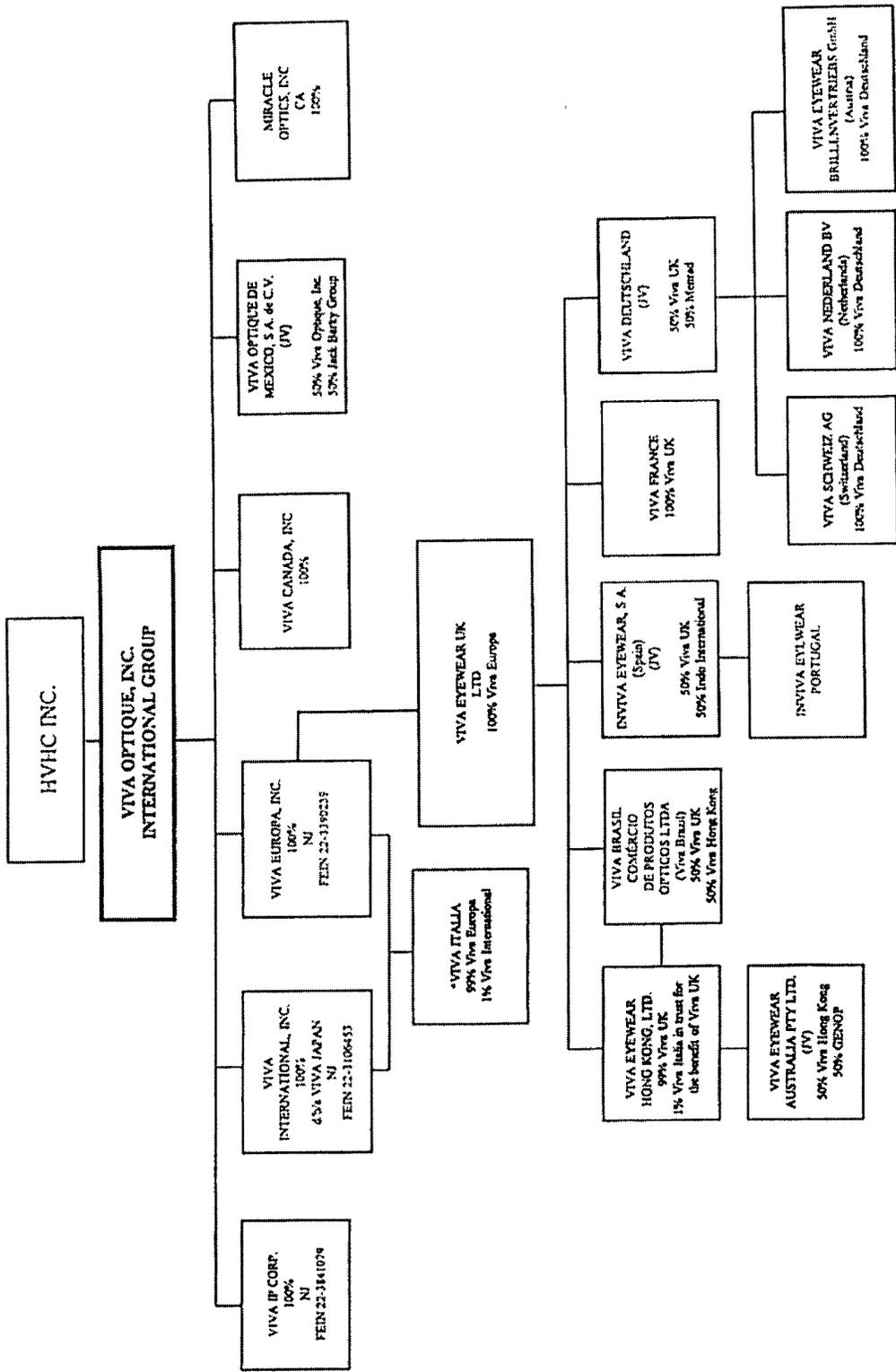
Pre-Affiliation Organizational Chart of Highmark

See Attached.



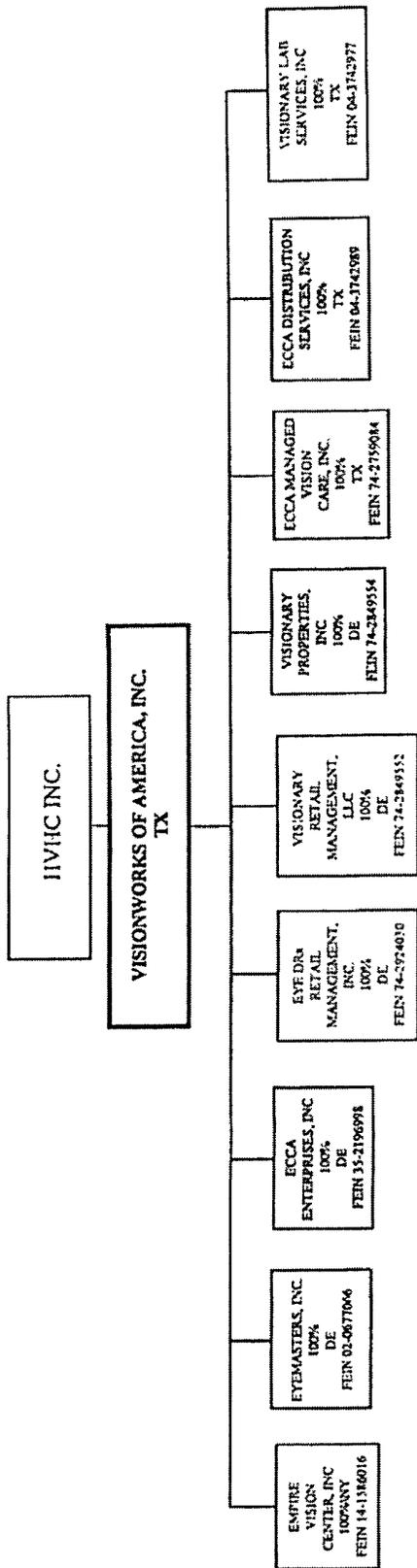
*Captive PC

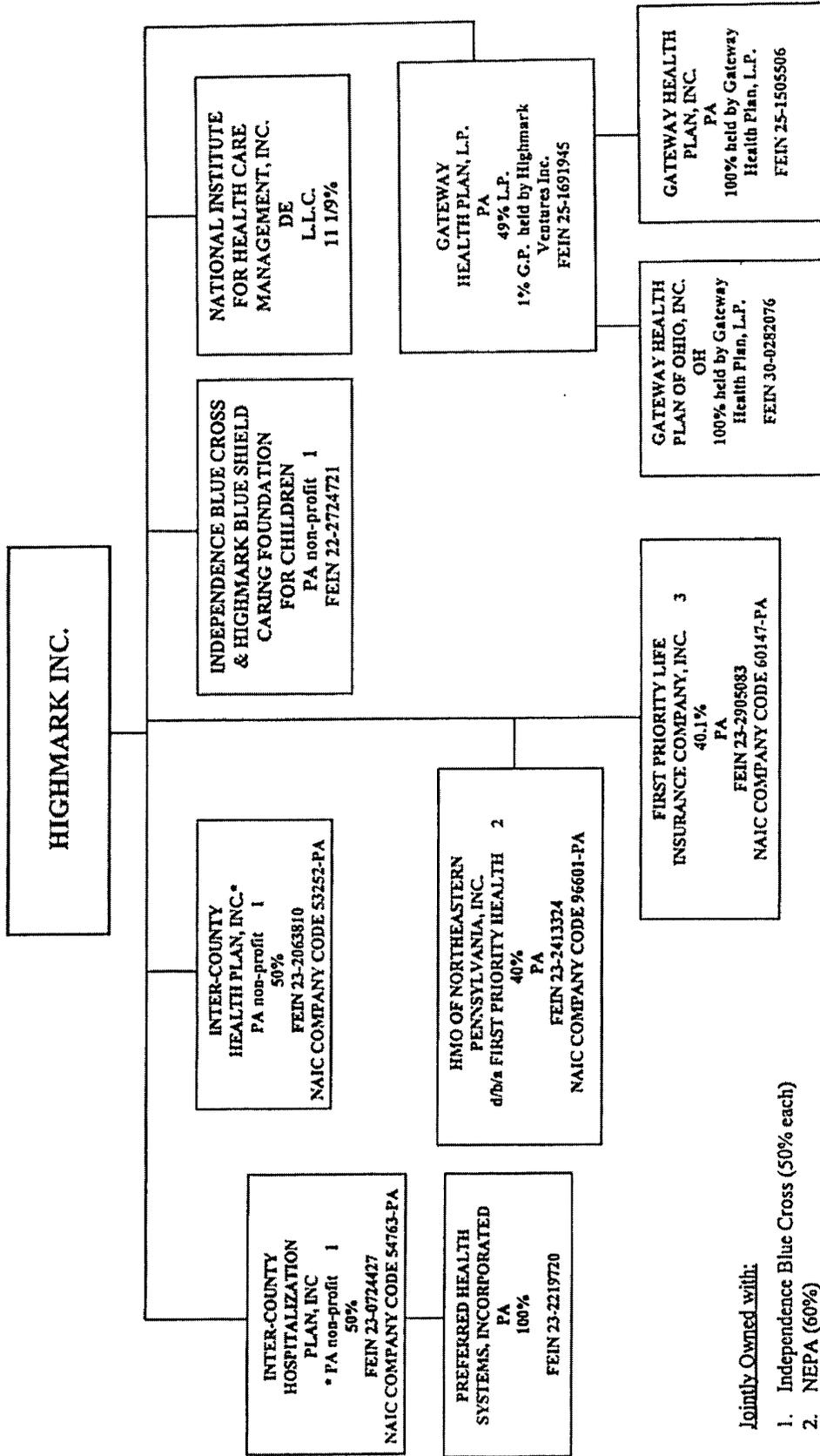




Viva Optique Group

*Viva Italia Operations ceased September 2004
 - In process of dissolution





Jointly Owned with:

1. Independence Blue Cross (50% each)
2. NEPA (60%)
3. NEPA (59.9%)

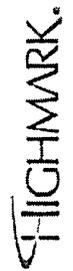
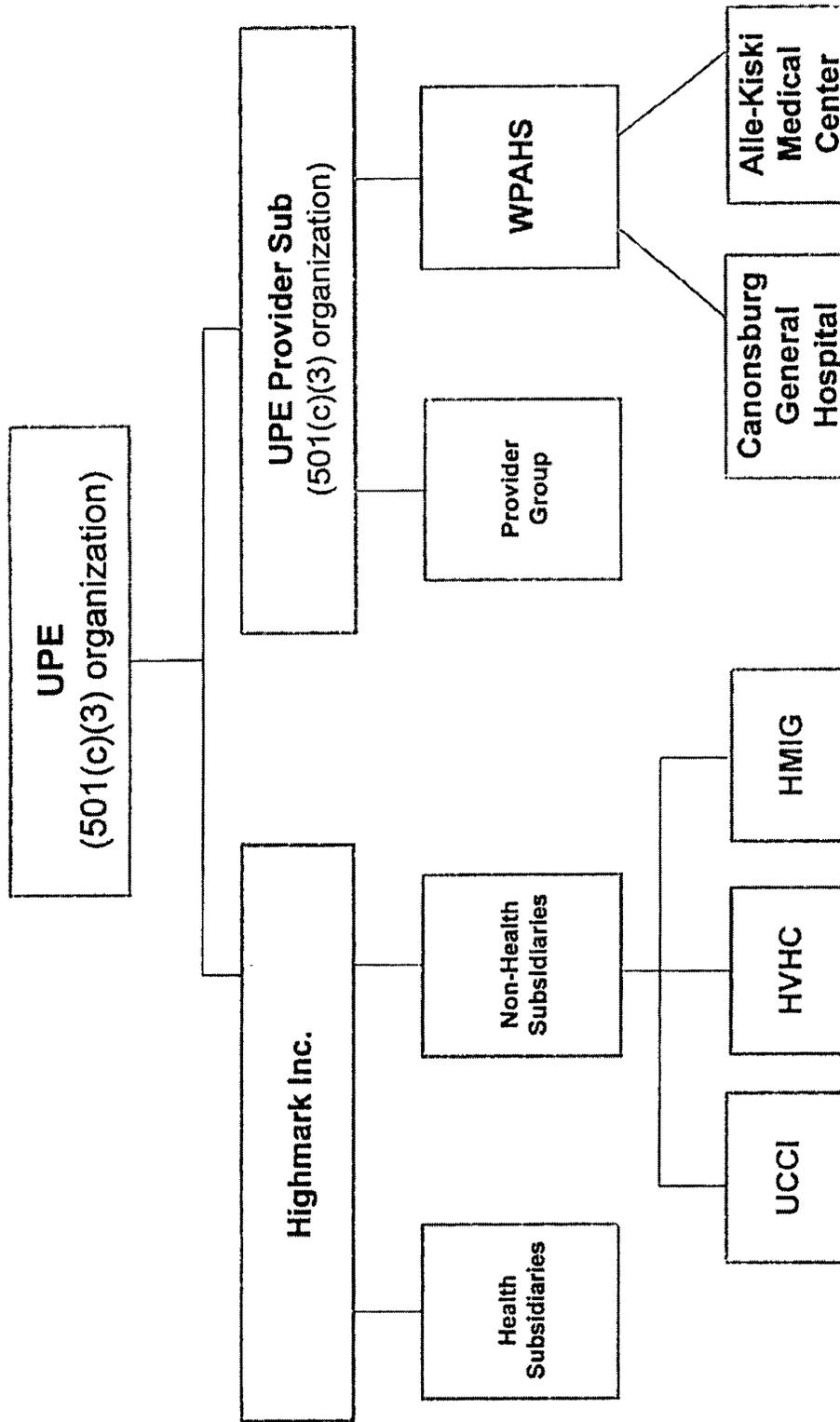
* Control is maintained through affiliation agreements which allow for control of the Boards of Directors

Tab D

Post-Affiliation Organizational Chart of UPE

See Attached.

Proposed Corporate Structure



Chambers, Sarah

From: Tim Biler <Tim.Biler@Insurance.ohio.gov>
Sent: Tuesday, May 08, 2012 5:19 PM
To: Chambers, Sarah
Subject: RE: Gateway Acquisition

Hello Sarah.

Thank you for the reply. Since the reference is made in Schedule Y, Part 1A, I agree that no other notations/documentation are required.

Thanks for your assistance with this question.

Tim

From: Chambers, Sarah [<mailto:Sarah.Chambers@thompsonhine.com>]
Sent: Thursday, May 03, 2012 1:39 PM
To: Tim Biler
Cc: Berliner, Alan
Subject: FW: Gateway Acquisition

Tim,

My apologies for any confusion by my email below. The second sentence was intended to read: "Highmark does NOT believe that any additional notations to Schedule Y are needed because the information regarding Mercy Health Plan is already set forth on Schedule Y, Part 1A – Detail of Insurance Holding Company System."

Please let us know if you would like to discuss this matter further.

Thank you,
Sarah

From: Chambers, Sarah
Sent: Thursday, May 03, 2012 12:18 PM
To: 'tim.biler@insurance.ohio.gov'
Cc: Berliner, Alan
Subject: FW: Gateway Acquisition

Hi Tim,

We heard back from our client on the question you raised below regarding Highmark's Organizational Chart. Highmark does believe that any additional notations to Schedule Y are needed because the information regarding Mercy Health Plan is already set forth on Schedule Y, Part 1A – Detail of Insurance Holding Company System. In addition, as you noted below, it is also included in Note 10A.

Please let us know if you have any additional questions or if you would like to discuss further.

Thanks,
Sarah

Sarah Chambers | Associate | **Thompson Hine LLP**
41 S. High Street, Suite 1700 | Columbus, Ohio 43215
Office: 614.469.3251 | **Mobile:** 614.531.7634
Fax: 614.469.3361 | **Email:** Sarah.Chambers@ThompsonHine.com
Web: <http://www.ThompsonHine.com>

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Atlanta | Cincinnati | Cleveland | Columbus | Dayton | New York | Washington, D.C.



From: Tim Biler [<mailto:Tim.Biler@Insurance.ohio.gov>]
Sent: Tuesday, April 10, 2012 3:47 PM
To: Berliner, Alan
Subject: Gateway Acquisition

Good afternoon Alan.

I have completed my review of the Form A filed for Gateway Health Plan of Ohio and I discussed this transaction with Steve V. Other than the minor question posed below, we did not have any significant questions for you. The package has been forwarded to Senior Management for final review.

I do have a quick clarification question for you. Item 1A states that Gateway Health Plan, LP is the immediate parent of Gateway Health Plan of Ohio. Gateway Health Plan, LP is jointly controlled by Highmark Ventures (1% General Partner Interest), Highmark Inc. (49% Limited Partner Interest) and Mercy Health Plan (1% General Partner Interest and 49% Limited Partner Interest).

The 2nd paragraph of Item 2B states that Mercy Health Plan (Mercy) is not affiliated with Highmark.

Since Mercy is not affiliated with Highmark, I can understand why the Company is not included in the Highmark Organizational Chart (Schedule Y in the Annual Statement) but I'm wondering if a notation should have been made on the organizational chart that Mercy partially controls Gateway Health Plan, LP. When reviewing Schedule Y, it looks like Highmark Ventures (only) controls Gateway Health Plan, LP. Only when reviewing Note 10A is the reference made to Mercy Health Plan as the other controlling entity.

Please let me know your thoughts on this inquiry (if I missed something) or if you have any questions or concerns.

Thanks

Tim

Chambers, Sarah

From: Chambers, Sarah
Sent: Thursday, May 03, 2012 12:18 PM
To: 'tim.biler@insurance.ohio.gov'
Cc: Berliner, Alan
Subject: FW: Gateway Acquisition

Hi Tim,

We heard back from our client on the question you raised below regarding Highmark's Organizational Chart. Highmark does believe that any additional notations to Schedule Y are needed because the information regarding Mercy Health Plan is already set forth on Schedule Y, Part 1A – Detail of Insurance Holding Company System. In addition, as you noted below, it is also included in Note 10A.

Please let us know if you have any additional questions or if you would like to discuss further.

Thanks,
Sarah

Sarah Chambers | Associate | **Thompson Hine LLP**
41 S. High Street, Suite 1700 | Columbus, Ohio 43215
Office: 614.469.3251 | **Mobile:** 614.531.7634
Fax: 614.469.3361 | **Email:** Sarah.Chambers@ThompsonHine.com
Web: <http://www.ThompsonHine.com>

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From: Tim Biler [<mailto:Tim.Biler@Insurance.ohio.gov>]
Sent: Tuesday, April 10, 2012 3:47 PM
To: Berliner, Alan
Subject: Gateway Acquisition

Good afternoon Alan.

I have completed my review of the Form A filed for Gateway Health Plan of Ohio and I discussed this transaction with Steve V. Other than the minor question posed below, we did not have any significant questions for you. The package has been forwarded to Senior Management for final review.

I do have a quick clarification question for you. Item 1A states that Gateway Health Plan, LP is the immediate parent of Gateway Health Plan of Ohio. Gateway Health Plan, LP is jointly controlled by Highmark Ventures (1% General Partner Interest), Highmark Inc. (49% Limited Partner Interest) and Mercy Health Plan (1% General Partner Interest and 49% Limited Partner Interest).

The 2nd paragraph of Item 2B states that Mercy Health Plan (Mercy) is not affiliated with Highmark.

Since Mercy is not affiliated with Highmark, I can understand why the Company is not included in the Highmark Organizational Chart (Schedule Y in the Annual Statement) but I'm wondering if a notation should have been made on the organizational chart that Mercy partially controls Gateway Health Plan, LP. When reviewing Schedule Y, it looks like Highmark Ventures (only) controls Gateway Health Plan, LP. Only when reviewing Note 10A is the reference made to Mercy Health Plan as the other controlling entity.

Please let me know your thoughts on this inquiry (if I missed something) or if you have any questions or concerns.

Thanks

Tim

Chambers, Sarah

From: Chambers, Sarah
Sent: Thursday, May 03, 2012 1:39 PM
To: tim.biler@insurance.ohio.gov
Cc: Berliner, Alan
Subject: FW: Gateway Acquisition

Tim,

My apologies for any confusion by my email below. The second sentence was intended to read: "Highmark does NOT believe that any additional notations to Schedule Y are needed because the information regarding Mercy Health Plan is already set forth on Schedule Y, Part IA – Detail of Insurance Holding Company System."

Please let us know if you would like to discuss this matter further.

Thank you,
Sarah

From: Chambers, Sarah
Sent: Thursday, May 03, 2012 12:18 PM
To: 'tim.biler@insurance.ohio.gov'
Cc: Berliner, Alan
Subject: FW: Gateway Acquisition

Hi Tim,

We heard back from our client on the question you raised below regarding Highmark's Organizational Chart. Highmark does believe that any additional notations to Schedule Y are needed because the information regarding Mercy Health Plan is already set forth on Schedule Y, Part 1A – Detail of Insurance Holding Company System. In addition, as you noted below, it is also included in Note 10A.

Please let us know if you have any additional questions or if you would like to discuss further.

Thanks,
Sarah

Sarah Chambers | Associate | **Thompson Hine LLP**
41 S. High Street, Suite 1700 | Columbus, Ohio 43215
Office: 614.469.3251 | **Mobile:** 614.531.7634
Fax: 614.469.3361 | **Email:** Sarah.Chambers@ThompsonHine.com
Web: <http://www.ThompsonHine.com>

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From: Tim Biler [<mailto:Tim.Biler@Insurance.ohio.gov>]
Sent: Tuesday, April 10, 2012 3:47 PM
To: Berliner, Alan
Subject: Gateway Acquisition

Good afternoon Alan.

I have completed my review of the Form A filed for Gateway Health Plan of Ohio and I discussed this transaction with Steve V. Other than the minor question posed below, we did not have any significant questions for you. The package has been forwarded to Senior Management for final review.

I do have a quick clarification question for you. Item 1A states that Gateway Health Plan, LP is the immediate parent of Gateway Health Plan of Ohio. Gateway Health Plan, LP is jointly controlled by Highmark Ventures (1% General Partner Interest), Highmark Inc. (49% Limited Partner Interest) and Mercy Health Plan (1% General Partner Interest and 49% Limited Partner Interest).

The 2nd paragraph of Item 2B states that Mercy Health Plan (Mercy) is not affiliated with Highmark.

Since Mercy is not affiliated with Highmark, I can understand why the Company is not included in the Highmark Organizational Chart (Schedule Y in the Annual Statement) but I'm wondering if a notation should have been made on the organizational chart that Mercy partially controls Gateway Health Plan, LP. When reviewing Schedule Y, it looks like Highmark Ventures (only) controls Gateway Health Plan, LP. Only when reviewing Note 10A is the reference made to Mercy Health Plan as the other controlling entity.

Please let me know your thoughts on this inquiry (if I missed something) or if you have any questions or concerns.

Thanks

Tim

MICHIGAN

Chronister, Ronald

From: Kudner, Kathrin <KKudner@dykema.com>
Sent: Wednesday, June 13, 2012 4:52 PM
To: 'Clouser, Belinda A'; Chronister, Ronald; Sencak, John L
Subject: FW: Form A

I received the e-mail below indicating that OFIR has approved the acquisition of control of United Concordia. The Commissioner has issued the order contingent on approval by the other states. I have requested a copy of the Order but doubt that they will send it at this point. Kathy

Kathrin E. Kudner
Dykema
2723 South State Street, Suite 400
Ann Arbor, Michigan 48104
(313) 568-6896
(734) 214-7697
(734) 214-7696 (fax)
kkudner@dykema.com
www.dykema.com

From: Hertrich, Alexander (LARA) [<mailto:HertrichA@michigan.gov>]
Sent: Wednesday, June 13, 2012 4:27 PM
To: Kudner, Kathrin
Subject: Form A

Good afternoon Kathy,

The Form A review has been completed. Commissioner Kevin Clinton has signed the order form. The acquisition of control of United Concordia Dental Plans of the Midwest, Inc. by UPE in accordance with the statement of acquisition is approved contingent on approval by Pennsylvania and other states of domicile for the other affiliated companies.

Thank you,
Alex

Alex Hertrich
Financial Analyst
Insurance Evaluation Division
Michigan Office of Financial and Insurance Regulation
Phone: 517-335-4074
E-mail: hertricha@michigan.gov

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use this information in any way; and (2) contact me immediately. Neither this information block, the typed name of the sender, nor anything else in this message is intended to constitute an electronic signature unless a specific statement to the contrary is included in this message. DYKEMA



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION
R. KEVIN CLINTON
COMMISSIONER

STEVEN H. HILFINGER
DIRECTOR

RECEIVED

JUN 19 2012

June 13, 2012

Ms. Kathrin E. Kudner
Dykema Gossett PLLC
2723 S. State Street, Suite 400
Ann Arbor, Michigan 48104

RE: Acquisition of Control of United Concordia Dental Plans of the Midwest, Inc.

Dear Ms. Kudner:

Enclosed is the Order Approving Acquisition in the captioned matter.

The Office of Financial and Insurance Regulation has reviewed the application and finds no reason for disapproval. If you have any questions, please call Alex Hertrich at (517) 335-4074.

Sincerely,

R. Kevin Clinton
Commissioner

Enclosure

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of Financial and Insurance Regulation

In the matter of the acquisition of control of
United Concordia Dental Plans
of the Midwest, Inc. by UPE _____ /

Order No. 12-028-M

Issued and entered
This 13th day of June, 2012
by R. Kevin Clinton
Commissioner

ORDER APPROVING ACQUISITION

On January 17, 2012, a Form A Statement was filed by UPE, a new Pennsylvania nonprofit corporation, seeking approval for the acquisition of control of United Concordia Dental Plans of the Midwest, Inc. ("UCDPM"). UCDPM is a Michigan domestic insurance company wholly-owned subsidiary of United Concordia Companies, Inc.

Control of UCDPM is to be acquired pursuant to a proposed affiliation between Highmark Inc. and West Penn Allegheny Health System, Inc. Highmark is currently the ultimate controlling person in the insurance holding company system of which UCDPM is a member. Under the terms of the Affiliation Agreement, UPE will become the sole voting member of Highmark. UPE will hold all rights in the new class of corporate membership in Highmark which will be created and exist in addition to the current class of members which consists of members of the Board of Directors of Highmark.

UPE has indicated no plans or proposals to declare an extraordinary dividend, liquidate, sell the assets of, merge, or make any other material change in the business operations or corporate structure of UCDCM.

After review of the Form A filing, the Commissioner of Financial and Insurance Regulation FINDS and CONCLUDES as follows:

1. The proposed acquisition constitutes a change of control, and is subject to prior approval of the Commissioner pursuant to the provisions of MCL 500.1311 to 1319. Control is defined in MCL 500.115.
2. The Form A Statement as supplemented, meets the filing requirements of MCL 500.1312 applicable to this proposed acquisition.
3. MCL 500.1315 requires the Commissioner to approve any merger or other acquisition of control of a domestic insurer, unless the Commissioner determines on the basis of information furnished to the Commissioner that one or more of the conditions enumerated under MCL 500.1315(1) exists.
4. None of the conditions specified in Section 1315(1) exists.

Therefore, based upon the representations made by Highmark, Inc. of Pennsylvania and the

above Findings of Fact and Conclusions of Law, it is hereby ORDERED that:

The acquisition of control of United Concordia Dental Plans of the Midwest, Inc. by UPE in accordance with the statement of acquisition is approved contingent on approval by Pennsylvania and other states of domicile for the other affiliated companies.

A handwritten signature in black ink, appearing to read "R. Kevin Clinton", is written over a horizontal line.

R. Kevin Clinton
Commissioner



Dykema Gossett PLLC
2723 South State Street
Suite 400
Ann Arbor, Michigan 48104
WWW.DYKEMA.COM
Tel: (734) 214-7660
Fax: (734) 214-7696
Kathrin E. Kudner
Direct Dial: (313) 568-6896
Email: KKUDNER@DYKEMA.COM

May 3, 2012

VIA E-MAIL AND OVERNIGHT COURIER

Mr. Alex Hertrich
Financial Analyst
Insurance Evaluation Division
Office of Financial and Insurance Regulation
611 W. Ottawa Street
Lansing, MI 48909

Re: Form A Filing by Highmark Regarding the Acquisition of Control of United Concordia Dental Plans of the Midwest, Inc.

Dear Mr. Hertrich:

Pursuant to your request, attached are the audited statutory financial statements for 2010 and 2011. I am sending a disc with the statements to you by overnight mail.

In response to your inquiry about the impact of the proposed transaction on the Michigan licensed entity, Highmark provided the following statement:

As set forth in Section 2.5 of the Affiliation Agreement, Highmark has committed to provide WPAHS up to \$400M in funds to support its operations. In addition as set forth in Section 2.7, Highmark has committed to contribute \$75M into a special endowment fund to be used for educational purposes. Highmark has not committed any funds beyond those amounts. Highmark believes that the funds committed under Section 2.5 should be sufficient to support WPAHS operations until its operations generate net positive cash flows. The Form A filed by UPE with the Pennsylvania Insurance Department included a turnaround plan for WPAHS as a confidential supplement. The financial projections included in the turnaround plan are based upon the funding commitments set out in Section 2.5 of the Affiliation Agreement.

In the unlikely event that additional funds would be needed, those funds would come from Highmark's liquid assets. Enclosed with this response is a copy of Highmark's 2011 statutory financial statement as filed with the Pennsylvania Insurance Department. That financial statement demonstrates that Highmark has

California | Illinois | Michigan | North Carolina | Texas | Washington, D.C.

UPE-0015377

DyKEMA

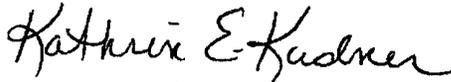
Mr. Alex Hertrich
May 3, 2012
Page 2

the financial resources to provide additional funds in the unlikely event that any additional funds are needed. Highmark would not look to UCDP of the Midwest for any funds.

Please call me if you have questions.

Very truly yours,

DYKEMA GOSSETT PLLC



Kathrin E. Kudner

KEK:rd

Enclosure

DET01\1050565.1
ID\KEK - 082061/0003

TEXAS

Chronister, Ronald

From: Betty DeLargy <bdelargy@mwlaw.com>
Sent: Thursday, September 27, 2012 10:02 AM
To: 'Jodi Rider'
Cc: 'Evangeland Barnes-Dickson'; Chronister, Ronald
Subject: Highmark Form A

Jodi, I need to correct one small thing from my earlier email—PA doesn't have to have a hearing on the Form A. I don't imagine it matters much to Texas, but thought you'd want to know.

Thanks.

Betty

MITCHELL WILLIAMS

Betty DeLargy
T 512.480.5117 | F 512.322.0301
bdelargy@mwlaw.com | MitchellWilliamsLaw.com
106 East Sixth Street | Ste. 300 | Austin, TX 78701
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

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Chronister, Ronald

From: Betty DeLargy <bdelargy@mwlaw.com>
Sent: Thursday, September 27, 2012 8:53 AM
To: 'Jodi Rider'
Cc: 'Evangeland Barnes-Dickson'; Chronister, Ronald
Subject: Highmark Form A: Status of Pennsylvania Review

Jodi, you asked that we keep you advised of the status of PA's review of the Highmark Form A. I've been advised that the PA department has requested more information and that the department's outside consultant, which is reviewing the proposed transaction, has not completed its review. Both those items mean that it's unlikely PA will approve the transaction in October. As you may know, both PA and Delaware departments require a hearing, with required prior notice, so at this point, the best information we have is that the company hopes and anticipates approvals from those two states by the end of the year.

Please let me know if you have any questions.

Betty

MITCHELL WILLIAMS

Betty DeLargy
T 512.480.5117 | F 512.322.0301
bdelargy@mwlaw.com | MitchellWilliamsLaw.com
106 East Sixth Street | Ste. 300 | Austin, TX 78701
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MITCHELL || WILLIAMS

Elisabeth S. DeLargy
Direct Dial: 512-480-5117
Fax: 512-322-0301
E-mail: bdelargy@mwillaw.com

106 East Sixth Street, Suite 300
Austin, TX 78701-3661
Telephone: 512-480-5100
Fax: 512-322-0301

September 18, 2012

VIA OVERNIGHT DELIVERY

Ms. Jodi Rider, Analyst
Texas Department of Insurance
P.O. Box 149099 MC 303-1A
Austin, TX 78714-9099

Re: Form A Regarding Acquisition of Control
United Concordia Dental Plans of Texas, Inc. ("United Concordia")

Dear Ms. Rider:

Enclosed is a copy of the biographical affidavit of Dr. William Winkenwerder as you requested. By copy of this letter, I am providing a copy of the enclosure to Ms. Barnes-Dickson.

Please let me know if you have any questions. Thank you for your attention to this matter.

Sincerely,
MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, P.L.L.C.

By 
Elisabeth S. DeLargy

ESD:jm
Enclosure

cc: Evangeland Barnes-Dickson (by messenger)
Ron Chronister

Elisabeth S. DeLargy
Direct Dial: 512-480-5117
Fax: 512-332-0301
E-mail: bdelargy@mwlaw.com

106 East Sixth Street, Suite 300
Austin, TX 78701-3661
Telephone: 512-480-5100
Fax: 512-322-0301

September 11, 2012

OVERNIGHT & VIA EMAIL

Ms. Jodi Rider, Analyst
Texas Department of Insurance
P.O. Box 149099 MC 303-1A
Austin, TX 78714-9099

Re: Form A Regarding Acquisition of Control
United Concordia Dental Plans of Texas, Inc. ("United Concordia")

Dear Ms. Rider:

This letter provides some updated information for the referenced Form A with regard to the officers and directors and financial information for the applicant.

Officers and Directors

William Winkenwerder, M.D. has replaced Kenneth R. Melani, M.D. as a member of the board of directors of UPE and as a member of the board of directors of Highmark. Dr. Winkenwerder has also replaced Dr. Melani as Chief Executive Officer and President of UPE. Dr. Winkenwerder's biographical affidavit was filed with the Utilization Review Agent division of the department on August 31, 2012. The TSN number for Dr. Winkenwerder's fingerprints is 29997795417.

I sent you notification in June that Thomas L. VanKirk replaced Maureen L. Hogel as Secretary of UPE. I have previously provided Mr. VanKirk's biographical affidavit and fingerprint information to you. Mr. VanKirk, as well as Dr. Winkenwerder, are also senior officers of Highmark.

Joseph C. Guyaux has resigned as a member of the board of directors of UPE, effective August 1, 2012.

Updated financial information

- Updated UPE Financial/Proformas (**CONFIDENTIAL**)
- Highmark's combined GAAP financial statement for the year ended December 31, 2011 (**CONFIDENTIAL**)
- 2011 Annual Statutory Financial Statement and March 31, 2012 Quarterly Statutory Financial Statement for Highmark and its insurance subsidiaries

Ms. Jodi Rider
September 11, 2012
Page 2

As indicated above, the proforma financial statements and the GAAP combined financial statements are confidential documents. These documents contain confidential and/or proprietary information and strategies that are not otherwise available to the public that, if disclosed, could cause substantial injury to the competitive position of the applicant. Accordingly, the applicant respectfully requests that these documents be afforded confidential treatment and be excepted from disclosure pursuant to Texas Govt Code § 552.110 (V.T.C.A. 1999), which exempts trade secrets or financial information disclosed of which would cause substantial competitive harm to the person from whom the information was obtained from the Texas Public Information Act (Texas Govt. Code § 552.001, et seq. (V.T.C.A. 1993)).

By copy of this letter, I am providing a copy of the enclosures to Ms. Barnes-Dickson. I am providing this letter to you by email. Your Federal Express copy will include the documents.

Please let me know if you have any questions about the information provided herein. Thank you for your attention to this matter.

Sincerely,
MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, P.L.L.C.

By



Elisabeth S. DeLargy

ESD:jm
Enclosure
cc: Evangeland Barnes-Dickson

Chronister, Ronald

From: Betty DeLargy <bdelargy@mwlaw.com>
Sent: Tuesday, September 18, 2012 10:44 AM
To: 'Jodi Rider'; 'Evangeland Barnes-Dickson'
Cc: Chronister, Ronald; 'Clouser, Belinda A'
Subject: Highmark: Biographical Affidavit for Dr. Winkenwerder

Jodi, I will overnight a copy of Dr. Winkenwerder's bio to you so you'll have it tomorrow mid-day. Evangeland, I'll also send over a copy to you this afternoon—I don't know if you need it today, but our messenger will drop it off at the TDI mail room around lunch time.

Betty

MITCHELL WILLIAMS

Betty DeLargy
T 512.480.5117 | F 512.322.0301
bdelargy@mwlaw.com | MitchellWilliamsLaw.com
106 East Sixth Street | Ste. 300 | Austin, TX 78701
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

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Chronister, Ronald

From: Jodi Rider <Jodi.Rider@tdi.state.tx.us>
Sent: Monday, September 17, 2012 3:31 PM
To: Betty DeLargy
Subject: Fwd: Highmark Form A: United Concordia

I also realized I have to have his biographical affidavit with is SS# and DOB information before I can request the fingerprints.

Thanks,
Jodi

Jodi Rider, Analyst
Financial Analysis
Texas Department of Insurance
Phone: 512-322-5095
Fax: 512-322-5082
jodi.rider@tdi.state.tx.us
Mail Code: 303-1A>>> Jodi Rider 9/17/2012 2:23 PM >>>
Betty:

Although Dr. Winkenwerder has a biographical on file with the URA division, please provide a copy of same to us. TAC 7.201(b)(2) states that incorporate by reference does not apply to 7.209 (Form A). As long as the information has not changed, a copy of the biographical will be fine.

Thank you,
Jodi

Jodi Rider, Analyst
Financial Analysis
Texas Department of Insurance
Phone: 512-322-5095
Fax: 512-322-5082
jodi.rider@tdi.state.tx.us
Mail Code: 303-1A>>> Betty DeLargy <bdelargy@mwlaw.com> 9/11/2012 1:01 PM >>>

Jodi, please see the attached letter with an update on financial information for Highmark and its companies. You will receive another copy of the letter and copies of the attachment by overnight delivery tomorrow. Evangeland, single sided copies of the letter and attachments are being delivered to the TDI mail room this afternoon.

Please let me know if you have any questions.

Betty

Betty DeLargy
T 512.480.5117 | F 512.322.0301
bdelargy@mwlaw.com | MitchellWilliamsLaw.com
106 East Sixth Street | Ste. 300 | Austin, TX 78701
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

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Chronister, Ronald

From: Jodi Rider <Jodi.Rider@tdi.state.tx.us>
Sent: Monday, September 17, 2012 3:24 PM
To: Betty DeLargy
Subject: Re: Highmark Form A: United Concordia

Betty:

Although Dr. Winkenwerder has a biographical on file with the URA division, please provide a copy of same to us. TAC 7.201(b)(2) states that incorporate by reference does not apply to 7.209 (Form A). As long as the information has not changed, a copy of the biographical will be fine.

Thank you,
Jodi

Jodi Rider, Analyst
Financial Analysis
Texas Department of Insurance
Phone: 512-322-5095
Fax: 512-322-5082
jodi.rider@tdi.state.tx.us

Mail Code: 303-1A>>> Betty DeLargy <bdelargy@mwlaw.com> 9/11/2012 1:01 PM >>>

Jodi, please see the attached letter with an update on financial information for Highmark and its companies. You will receive another copy of the letter and copies of the attachment by overnight delivery tomorrow. Evangeland, single sided copies of the letter and attachments are being delivered to the TDI mail room this afternoon.

Please let me know if you have any questions.

Betty

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bdelargy@mwlaw.com | MitchellWilliamsLaw.com
106 East Sixth Street | Ste. 300 | Austin, TX 78701
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

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Chronister, Ronald

From: Betty DeLargy [bdelargy@mwlaw.com]
Sent: Friday, May 25, 2012 2:01 PM
To: 'Jodi Rider'
Cc: Chronister, Ronald; Clouser, Belinda A; Rick Campbell; Doak Foster; June Stracener
Subject: RE: United Concordia Dental Plans of Texas, Inc.

Jodi, I have received the following information with regard to the other state filings.

The filings have been approved in AZ, CA, KY and VT. Filings are still under review in DE, MD, MI, NY, OH and WV in addition to PA. A filing was submitted in AL but the Insurance Department concluded that no filing was required.

Please let me know if you have any questions. I will forward the finger print information you requested as soon as I receive it.

Betty

MITCHELL | WILLIAMS

Betty DeLargy
T 512.480.5117 | F 512.322.0301
bdelargy@mwlaw.com | MitchellWilliamsLaw.com
106 East Sixth Street | Ste. 300 | Austin, TX 78701
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

From: Jodi Rider [mailto:Jodi.Rider@tdi.state.tx.us]
Sent: Friday, May 25, 2012 11:51 AM
To: Betty DeLargy
Subject: United Concordia Dental Plans of Texas, Inc.

Please advise the status of the Form A in the other states filed.

Thank you,
Jodi

Jodi Rider, Analyst
Financial Analysis
Texas Department of Insurance
Phone: 512-322-5095
Fax: 512-322-5082
jodi.rider@tdi.state.tx.us
Mail Code: 303-1A

5/25/2012

UPE-0015389

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Chronister, Ronald

From: Betty DeLargy [bdelargy@mwlaw.com]
Sent: Friday, May 25, 2012 1:20 PM
To: Chronister, Ronald
Subject: FW: United Concordia Dental Plans of Texas Form A
Importance: High

MITCHELL | WILLIAMS

Betty DeLargy
T 512.480.5117 | F 512.322.0301
bdelargy@mwlaw.com | MitchellWilliamsLaw.com
106 East Sixth Street | Ste. 300 | Austin, TX 78701
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

From: Jodi Rider [mailto:Jodi.Rider@tdi.state.tx.us]
Sent: Thursday, May 24, 2012 12:33 PM
To: Betty DeLargy
Cc: Evangeland Barnes-Dickson
Subject: United Concordia Dental Plans of Texas Form A
Importance: High

Betty:

I am reviewing the Form A again and found that I have not received the fingerprint information for Mr. Thomas VanKirk. Also, we found that John R. Baum was in our system, but was put in the system before fingerprints were required.

Please provide the above as soon as possible.

Thank you,
Jodi

Jodi Rider, Analyst
Financial Analysis
Texas Department of Insurance
Phone: 512-322-5095
Fax: 512-322-5082
jodi.rider@tdi.state.tx.us
Mail Code: 303-1A

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5/25/2012

UPE-0015391

Chronister, Ronald

From: Betty DeLargy [bdelargy@mwlaw.com]
Sent: Friday, May 25, 2012 1:25 PM
To: Chronister, Ronald
Subject: FW: United Concordia Dental Plans of Texas, Inc.

MITCHELL | WILLIAMS

Betty DeLargy
T 512.480.5117 | F 512.322.0301
bdelargy@mwlaw.com | MitchellWilliamsLaw.com
106 East Sixth Street | Ste. 300 | Austin, TX 78701
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

From: Jodi Rider [mailto:Jodi.Rider@tdi.state.tx.us]
Sent: Friday, May 25, 2012 11:51 AM
To: Betty DeLargy
Subject: United Concordia Dental Plans of Texas, Inc.

Please advise the status of the Form A in the other states filed.

Thank you,
Jodi

Jodi Rider, Analyst
Financial Analysis
Texas Department of Insurance
Phone: 512-322-5095
Fax: 512-322-5082
jodi.rider@tdi.state.tx.us
Mail Code: 303-1A

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5/25/2012

UPE-0015392

Chronister, Ronald

From: Betty DeLargy <bdelargy@mwlaw.com>
Sent: Tuesday, June 12, 2012 10:39 AM
To: 'Jodi Rider'
Cc: Chronister, Ronald; 'Clouser, Belinda A'
Subject: RE: United Concordia Dental Plans Form A

Jodi, the company has confirmed that David Matter is not an executive officer of the company; his only role is director.

Thank you.

Betty

MITCHELL WILLIAMS

Betty DeLargy
T 512.480.5117 | F 512.322.0301
bdelargy@mwlaw.com | MitchellWilliamsLaw.com
106 East Sixth Street | Ste. 300 | Austin, TX 78701
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

From: Jodi Rider [<mailto:Jodi.Rider@tdi.state.tx.us>]
Sent: Monday, June 11, 2012 3:09 PM
To: Betty DeLargy
Subject: United Concordia Dental Plans Form A

Betty:

I am sending Mr. VanKirk's FAST receipt to obtain his criminal history report. I had already run Mr. Baum's report.

See the attached email I sent previously regarding Mr. David Matter and his fingerprints. I believe he is a Director, therefore, it is not required by statute for us to have his fingerprints for the Form A. Please confirm that is his position.

If it is rather COB, CEO, Pres, CFO, Treasurer or Controller, then we will need new fingerprints for him.

Thanks,
Jodi

Jodi Rider, Analyst
Financial Analysis

Texas Department of Insurance

Phone: 512-322-5095

Fax: 512-322-5082

jodi.rider@tdi.state.tx.us

Mail Code: 303-1A

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MITCHELL | WILLIAMS

Flisabeth S. DeLargy
Direct Dial 512-480-5117
Fax: 512-332-0301
E-mail: bdelargy@mwlaw.com

106 East Sixth Street, Suite 300
Austin, TX 78701-3661
Telephone: 512-480-5100
Fax: 512-322-0301

September 11, 2012

OVERNIGHT & VIA EMAIL

Ms. Jodi Rider, Analyst
Texas Department of Insurance
P.O. Box 149099 MC 303-1A
Austin, TX 78714-9099

Re: Form A Regarding Acquisition of Control
United Concordia Dental Plans of Texas, Inc. ("United Concordia")

Dear Ms. Rider:

This letter provides some updated information for the referenced Form A with regard to the officers and directors and financial information for the applicant.

Officers and Directors

William Winkenwerder, M.D. has replaced Kenneth R. Melani, M.D. as a member of the board of directors of UPE and as a member of the board of directors of Highmark. Dr. Winkenwerder has also replaced Dr. Melani as Chief Executive Officer and President of UPE. Dr. Winkenwerder's biographical affidavit was filed with the Utilization Review Agent division of the department on August 31, 2012. The TSN number for Dr. Winkenwerder's fingerprints is 29997795417.

I sent you notification in June that Thomas L. VanKirk replaced Maureen L. Hogel as Secretary of UPE. I have previously provided Mr. VanKirk's biographical affidavit and fingerprint information to you. Mr. VanKirk, as well as Dr. Winkenwerder, are also senior officers of Highmark.

Joseph C. Guyaux has resigned as a member of the board of directors of UPE, effective August 1, 2012.

Updated financial information

- Updated UPE Financial/Proformas (**CONFIDENTIAL**)
- Highmark's combined GAAP financial statement for the year ended December 31, 2011 (**CONFIDENTIAL**)
- 2011 Annual Statutory Financial Statement and March 31, 2012 Quarterly Statutory Financial Statement for Highmark and its insurance subsidiaries

Ms. Jodi Rider
September 11, 2012
Page 2

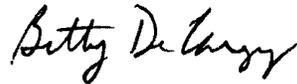
As indicated above, the proforma financial statements and the GAAP combined financial statements are confidential documents. These documents contain confidential and/or proprietary information and strategies that are not otherwise available to the public that, if disclosed, could cause substantial injury to the competitive position of the applicant. Accordingly, the applicant respectfully requests that these documents be afforded confidential treatment and be excepted from disclosure pursuant to Texas Govt Code § 552.110 (V.T.C.A. 1999), which exempts trade secrets or financial information disclosed of which would cause substantial competitive harm to the person from whom the information was obtained from the Texas Public Information Act (Texas Govt. Code § 552.001, et seq. (V.T.C.A. 1993)).

By copy of this letter, I am providing a copy of the enclosures to Ms. Barnes-Dickson. I am providing this letter to you by email. Your Federal Express copy will include the documents.

Please let me know if you have any questions about the information provided herein. Thank you for your attention to this matter.

Sincerely,
MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, P.L.L.C.

By



Elisabeth S. DeLargy

ESD:jm
Enclosure
cc: Evangeland Barnes-Dickson

Chronister, Ronald

From: Betty DeLargy <bdelargy@mwlaw.com>
Sent: Monday, June 11, 2012 2:04 PM
To: 'Jodi Rider'
Cc: Chronister, Ronald; 'Clouser, Belinda A'
Subject: RE: United Concordia Dental Plans of Texas Form A

Jodie, I've been advised that the company needs Texas (and the other states) approval before the PA DOI approval, since PA is Highmark's domestic state. Can Texas issue an approval order contingent on issuance of the PA approval order? I know you've done this before but I can't remember the mechanics.

Steve Johnson is the primary contact at PA DOI, if you want to discuss timing with him. My understanding is that the PA approval may come as early as Labor Day or possibly mid-October and that they companies will close on the transaction as soon after the PA approval as possible.

Betty

MITCHELL | WILLIAMS

Betty DeLargy
T 512.480.5117 | F 512.322.0301
bdelargy@mwlaw.com | MitchellWilliamsLaw.com
106 East Sixth Street | Ste. 300 | Austin, TX 78701
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

From: Jodi Rider [<mailto:Jodi.Rider@tdi.state.tx.us>]
Sent: Monday, June 11, 2012 12:53 PM
To: Betty DeLargy
Subject: RE: United Concordia Dental Plans of Texas Form A

When is the Company wanting to close?

Jodi Rider, Analyst
Financial Analysis
Texas Department of Insurance
Phone: 512-322-5095
Fax: 512-322-5082
jodi.rider@tdi.state.tx.us
Mail Code: 303-1A>>> Betty DeLargy <bdelargy@mwlaw.com> 6/11/2012 12:38 PM >>>

Here are the fingerprint receipts for Thomas VanKirk and John Baum, as you requested. Please let me know if you need anything further.

Betty

MITCHELL WILLIAMS

Betty DeLargy

T 512.480.5117 | F 512.322.0301

bdelargy@mwlaw.com | MitchellWilliamsLaw.com

106 East Sixth Street | Ste. 300 | Austin, TX 78701

Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

From: Jodi Rider [<mailto:Jodi.Rider@tdi.state.tx.us>]
Sent: Thursday, May 24, 2012 12:33 PM
To: Betty DeLargy
Cc: Evangeland Barnes-Dickson
Subject: United Concordia Dental Plans of Texas Form A
Importance: High

Betty:

I am reviewing the Form A again and found that I have not received the fingerprint information for Mr. Thomas VanKirk. Also, we found that John R. Baum was in our system, but was put in the system before fingerprints were required.

Please provide the above as soon as possible.

Thank you,
Jodi

Jodi Rider, Analyst
Financial Analysis
Texas Department of Insurance
Phone: 512-322-5095
Fax: 512-322-5082
jodi.rider@tdi.state.tx.us
Mail Code: 303-1A

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