

---

**FORM A**

---

**STATEMENT REGARDING THE ACQUISITION  
OF CONTROL OF OR MERGER WITH DOMESTIC INSURERS****HOSPITAL SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA  
d/b/a BLUE CROSS OF NORTHEASTERN PENNSYLVANIA,  
a Pennsylvania nonprofit corporation licensed to operate a nonprofit hospital plan****FIRST PRIORITY LIFE INSURANCE COMPANY, INC.,  
a Pennsylvania stock insurance company****HMO OF NORTHEASTERN PENNSYLVANIA, INC.,  
d/b/a FIRST PRIORITY HEALTH,  
a Pennsylvania nonprofit corporation licensed as a  
health maintenance organization****BY****HIGHMARK INC.,  
a Pennsylvania nonprofit corporation licensed to operate a nonprofit hospital plan and a  
nonprofit professional health service plan**

---

**Filed with the Insurance Department  
of the Commonwealth of Pennsylvania  
February 18, 2014**

---

**Persons to whom notices and correspondence should be addressed****Edward A. Bittner, Jr., Esquire**  
Highmark Health  
Fifth Avenue Place  
120 Fifth Avenue, Suite 2180  
Pittsburgh, PA 15222-3099  
(412) 544-8529  
ed.bittner@highmarkhealth.org**Jack M. Stover, Esquire**  
Buchanan Ingersoll & Rooney PC  
409 N. Second Street, Suite 500  
Harrisburg, PA 17101  
(717) 237-4837  
jack.stover@bipc.com

## Item 1: Insurers and Method of Acquisition

### A. Domestic Insurers

The domestic insurers to which this Application relates (hereinafter “Domestic Insurers”) are as follows:

Insurer: **Hospital Service Association of Northeastern Pennsylvania d/b/a Blue Cross of Northeastern Pennsylvania (“BCNEPA”)**  
Principal address: 19 North Main Street, Wilkes-Barre, PA 18711  
Type of entity: Pennsylvania nonprofit corporation licensed to operate a nonprofit hospital plan  
Ownership Interest: N/A  
NAIC group code: 1270  
NAIC company code: 54747

Insurer: **First Priority Life Insurance Company, Inc. (“FPLIC”)**  
Principal address: 19 North Main Street, Wilkes-Barre, PA 18711  
Type of entity: Pennsylvania stock insurance company  
Ownership interest: BCNEPA 59.9%, Highmark Inc. (“Highmark”) 40.1% of issued and outstanding stock  
NAIC group code: 1270  
NAIC company code: 60147

Insurer: **HMO of Northeastern Pennsylvania, Inc., d/b/a First Priority Health (“FPH”)**  
Principal address: 19 North Main Street, Wilkes-Barre, PA 18711  
Type of entity: Pennsylvania nonprofit corporation and licensed health maintenance organization  
Ownership Interest: BCNEPA 60%, Highmark 40% of issued and outstanding stock  
NAIC group code: 1270  
NAIC company code: 96601

### B. Method of Acquisition and General Description of the Merger

#### 1. Method of Acquisition

This Application is filed pursuant to a proposed merger of Highmark and BCNEPA by the terms of which BCNEPA will be merged with and into Highmark (the “Merger”). Highmark will be the surviving corporation and will continue as a nonprofit non-stock Pennsylvania corporation. All of the issued and outstanding stock of the FPLIC and FPH subsidiaries of

BCNEPA and Highmark will be held by Highmark subsequent to the Merger.

2. **The Merger**

a. **General Description of the Merger**

Highmark, Highmark Health and BCNEPA have entered into an Agreement of Merger dated as of February 18, 2014 (the “Merger Agreement”) pursuant to which BCNEPA will merge with and into Highmark. Highmark will be the surviving corporation and will continue as a nonprofit non-stock Pennsylvania corporation.

**Basic Structure of the Merger**

The Merger will become effective on the date the parties file articles of merger with the Pennsylvania Secretary of State or at such subsequent time as BCNEPA and Highmark agree and is specified in the articles of merger (the “Effective Time”).

At the closing under the Merger Agreement, BCNEPA will merge into Highmark. Highmark Health, a nonprofit parent company, will continue as the sole corporate member of Highmark.

In connection with the Merger, the corporate bylaws of Highmark will be amended and restated to establish four seats on Highmark’s Board of Directors (the “Highmark Board”) to be filled initially by persons who are members of the Board of Directors of BCNEPA (the “BCNEPA Board”) immediately prior to the Merger (the “BCNEPA/Highmark Board Members”) and an Advisory Board with respect to the business, assets and liabilities of BCNEPA and its subsidiaries, excluding the Blue Ribbon Foundation, AHG and HRC (each as defined below) (the “Acquired Business”). The BCNEPA/Highmark Board Members shall serve on the Highmark Board for a four year term and the Advisory Board shall continue to exist for four years following the Effective Date.

The BCNEPA Board shall designate four individuals who are members of the BCNEPA Board immediately prior to the Effective Time to serve on the Highmark Board of Directors effective as of the Effective Time, subject to the approval of Highmark Health. The initial members of the Advisory Board will include the 15 members (excluding any *ex officio* member) who were on the BCNEPA Board immediately prior to the Merger (the “BCNEPA Advisory Board Representatives”). A copy of the Fourth Amended and Restated Bylaws of Highmark as the

surviving corporation which will be effective at the Effective Time of the Merger is attached at Tab A.

Highmark, as the surviving corporation in the Merger, will succeed to all licenses of BCNEPA and that Highmark Health will become the primary licensee of the Blue Cross Blue Shield Association (“BCBSA”) of each of the marks to which BCNEPA is the licensee immediately prior to the Merger, with Highmark operating in the BCNEPA service area as a controlled affiliate of Highmark Health. In connection with the Merger, BCNEPA will contribute, dispose of, sell or otherwise transfer the capital stock or the assets and liabilities of AllOne Health Group, Inc. (“AHG”) and Health Resources Corporation (“HRC”) prior to the Effective Time, provided, however, that prior to the Merger, the stock of AllOne Health Management Solutions, Inc. (“HMS”) and AllOne Health Services, Inc. (“AHS”) will be distributed to BCNEPA so that such entities will be part of the business owned by BCNEPA at the time of the Merger.

#### Social Commitments

Except as noted below, the Merger Agreement provides that, prior to the Effective Time, BCNEPA may contribute out of its surplus up to \$90 million to one or more charitable organization(s) (meeting the requirements set forth in the Merger Agreement), less the amount of any cash contributions BCNEPA makes to AHG and/or HRC after the date of the Merger Agreement (“Permitted Contributions”) (which Permitted Contributions may not exceed without the consent of Highmark \$20 million in the aggregate) (the “Closing Contribution”). If BCNEPA’s pro forma RBC as of the end of the month immediately prior to the most recently completed calendar month prior to the closing date would be less than 375% after giving effect to the amount of all intended contributions, the amount of the Closing Contribution shall be reduced to such amount as shall be necessary to cause the RBC as of such date to be increased to 375%, provided that the sum of the Closing Contribution and the Permitted Contributions shall in no event be less than \$50 million. If certain pre-closing and post-closing financial metrics are achieved, as described in the Merger Agreement, Highmark will contribute an additional \$10 million to such charitable organization(s) (meeting the requirements set forth in the Merger Agreement) designated by a majority of the BCNEPA Advisory Board Representatives.

### Covenants of Highmark after the Merger

From and after the Merger, Highmark will be required to observe certain obligations with respect to the business formerly operated by BCNEPA, including:

- Until the fourth anniversary of the closing date, using commercially reasonable efforts to maintain certain levels of full time equivalent employee positions in the BCNEPA service area, and maintain mean and median cash compensation in the BCNEPA service area at least at the same level in the one year period prior to the Effective Time.
- Providing severance to certain employees of BCNEPA if terminated by Highmark without “Cause” or if they leave for “Good Reason” (as defined in the Merger Agreement) within certain periods after the Effective Time.
- Grandfathering historic seniority and service time of BCNEPA employees for purposes of eligibility under benefit plans going forward after the Effective Time.
- Operating the Acquired Business in a manner consistent with the historic corporate mission of BCNEPA to provide health services and products to improve the quality, accessibility and affordability of health care in the BCNEPA service area.
- Endeavoring to offer innovative and competitive health care insurance products and services in the BCNEPA service area.
- Continuing to seek innovative ways to provide reasonable support to community based programs in the BCNEPA service area.
- Using commercially reasonable efforts to cooperate with The Commonwealth Medical College in endeavors to support the ongoing success of The Commonwealth Medical College as long as the same shall be in the best interest of the Acquired Business.
- For at least twelve months following the closing date, operating the business merged into Highmark under trade names used by BCNEPA prior to the Merger.

### Covenants of the Parties prior to Closing

Covenants of BCNEPA: BCNEPA is required to act and refrain from acting pursuant to customary covenants between the signing of the Merger Agreement and the Effective Time, including as follows:

- Conduct its business in the ordinary course, consistent with past practice;
- Refrain from taking certain actions specified in the Merger Agreement without the consent of Highmark;
- Refrain from exercising certain rights under the shareholders' agreements that govern the subsidiaries of BCNEPA in which Highmark is a shareholder as well;
- Hold a meeting of its corporate members within 60 days of the execution of the Merger Agreement to seek approval of the Merger Agreement and plan of merger.

Covenants of Highmark: Highmark is required to act and refrain from acting pursuant to customary covenants between the signing of the Merger Agreement and the Effective Time, including as follows:

- Conduct its business in the ordinary course, consistent with past practice;
- Refrain from taking certain actions specified in the Merger Agreement without the consent of BCNEPA.

Covenants of both BCNEPA and Highmark: Both BCNEPA and Highmark are required to act and refrain from acting pursuant to other customary joint covenants between the signing of the Merger Agreement and the Effective Time, including as follows:

- Provide reasonable access to the other party's books, records, contracts, properties, officers and employees (subject to restrictions under applicable law and contracts);
- Use commercially reasonable efforts to obtain all required approvals and make all required filings in connection with the Merger including filings with various governmental entities such as the Pennsylvania Insurance Department ("Department") and under the Hart-Scott-Rodino Act;

- Consult on public statements/press releases about the Merger Agreement and the Merger;
- Use commercially reasonable efforts to plan the migration of the Acquired Business to Highmark's platform.

#### Conditions to Closing

Numerous customary conditions exist to the parties' obligation to close the Merger, including various regulatory and other approvals or filings that must be obtained or made (including those of the Federal Trade Commission, the Department and the BCBSA).

#### Other Features

Among other significant features of the Merger Agreement:

- Certain material breaches under the Merger Agreement may give rise to a termination right for the aggrieved party, and the right to liquidated damages or alternatively to seek specific performance.

#### **b. Merger Agreement**

A copy of the Merger Agreement is attached at Tab B.

## **Item 2: Identity and Background of the Applicant and the Domestic Insurers**

### **A. Highmark**

#### **1. Name and Address of the Applicant:**

Highmark Inc.  
Fifth Avenue Place  
120 Fifth Avenue  
Pittsburgh, PA 15222

#### **a. General Description of Highmark**

Highmark is a Pennsylvania nonprofit corporation licensed by the Department to operate a nonprofit hospital plan and a nonprofit professional health services plan pursuant to the Health Plan Corporations Act, 40 Pa. C.S. §§6101-6127, 6301-6335.

Highmark is an independent licensee of the BCBSA, which owns the “Blue” names and marks, and is one of four “Blue” plans in Pennsylvania. Under its BCBSA licenses, Highmark operates as Highmark Blue Cross Blue Shield in the 29 western-most counties of Pennsylvania and as Highmark Blue Shield in the remaining counties of the Commonwealth.

Highmark operates health insurance plans in Pennsylvania and through its affiliates in Delaware and West Virginia that serve more than 4.5 million subscribers.

Highmark serves approximately 33.5 million people across the country through its subsidiaries and affiliates in health insurance, dental insurance, vision care and information technology. Highmark and its subsidiaries have more than 17,500 employees, and Highmark is among the 10 largest health insurers in the country and is the fourth-largest Blue Cross and Blue Shield company in terms of number of subscribers.

Highmark has a variety of diversified businesses. The primary for-profit businesses include HVHC Inc. (“HVHC”) and its subsidiaries, managed vision care provider Davis Vision, Inc. (“Davis Vision”) and national optical retailer Visionworks, Inc. (“Visionworks”); United Concordia Companies, Inc. (“UCCI”) and HM Insurance Group, Inc. (“HMIG”). Highmark’s nonprofit affiliates include Highmark Foundation and Caring Foundation.

**b. Highmark Affiliates**

Highmark BCBSD Inc. d/b/a Highmark Blue Cross Blue Shield Delaware (“Highmark Delaware”) is headquartered in Wilmington, Delaware. Highmark Delaware offers a comprehensive portfolio of health care benefits and products to its approximately 300,000 subscribers and also serves more than 100,000 BlueCard subscribers in Delaware. Highmark Delaware employs approximately 600 people in Wilmington and its satellite offices in Dover. Highmark Delaware is an independent licensee of the BCBSA.

Highmark West Virginia Inc. d/b/a Highmark Blue Cross Blue Shield West Virginia (“Highmark West Virginia”) serves approximately 300,000 subscribers through the company’s health care benefits business and also serves nearly 300,000 additional subscribers through the Blue Card program. Highmark West Virginia employs approximately 800 people in Parkersburg,

Charleston and Wheeling, West Virginia. Highmark West Virginia is an independent licensee of the BCBSA.

Highmark Foundation is a private, charitable affiliate of Highmark that supports initiatives and programs aimed at improving community health. The Highmark Foundation's mission is to improve the health, well-being and quality of life for individuals who reside in the communities served by Highmark and its subsidiaries. Highmark Foundation strives to support evidence-based programs that impact multiple counties and work collaboratively to leverage additional funding to achieve replicable models.

Caring Foundation operates the Highmark Caring Place, A Center for Grieving Children, Adolescents and Their Families (“Caring Place”), with facilities in Erie, Lemoyne, Pittsburgh and Warrendale, Pennsylvania. The mission of the Caring Place is to raise awareness of the needs of grieving children, provide programs to address those needs and empower the community to support children who have experienced the death of a loved one. Highmark has provided financial support to the Caring Place since its inception in 1997. This support allows the Caring Place to offer its programs at no cost to the families and the community.

**c. Highmark Diversified Businesses**

Highmark subsidiaries operate a number of diversified businesses in addition to the company’s health insurance business. The Highmark vision group is organized under HVHC, a wholly owned subsidiary of Highmark. HVHC and its subsidiaries are providers of integrated vision care solutions for the value-seeking customer, offering differentiated products and services via Visionworks and Davis Vision.

Visionworks (formerly Eye Care Centers of America, Inc.) is a provider of eye care services with more than 600 optical retail stores in 40 states and the District of Columbia. Their comprehensive service offerings include contact lens dispensing, in-store laboratories which provide one-hour service on many prescriptions at nearly all locations and doctors of optometry at or next to every store. Davis Vision has been providing comprehensive vision benefit solutions to employers, municipalities, union organizations and through health plans for nearly 50 years. The company currently serves more than 55 million vision care consumers across the United States, including

more than 18 million funded members. Its provider network includes a diverse mix of optometrists, ophthalmologists and dispensing locations totaling more than 36,000 points of access, in both private practice and retail optical locations.

UCCI is a dental carrier that, together with its subsidiaries, delivers high-quality, cost-effective dental programs on a national basis. Headquartered in Harrisburg, Pennsylvania, the consolidated company has more than six million members, a network of more than 98,700 unique dentists at approximately 237,900 access points nationwide, and an AM Best A- (Excellent) rating. Collectively, the companies are licensed in all 50 states, the District of Columbia and Puerto Rico.

HMIG's subsidiaries work to protect businesses and their employees from the potential financial risks associated with health costs. The companies' product portfolio provides insurance producers with health risk solutions that address a range of risk situations confronting employers, employees, health care providers and individuals. A recognized leader in employer stop loss, the HMIG companies also offer HMO reinsurance and health care provider excess coverage.

In addition to the reinsurance products, HMIG subsidiaries provide workers' compensation coverage in Pennsylvania only, and are recognized as being among the fastest growing workers' compensation carriers in the state. In addition, HMIG companies also offer group supplemental insurance – critical illness, accident, disability income and term life – nationally through strategic distribution partners and individual critical illness and accident insurance plans in Pennsylvania and West Virginia.

Each of HMIG's subsidiaries HM Life Insurance Company, HM Life Insurance Company of New York, Highmark Casualty Insurance Company and HM Casualty Insurance Company is rated A- (Excellent) by A.M. Best Company. Through its insurance companies, HMIG holds insurance licenses in 50 states and the District of Columbia and maintains sales offices across the country.

d. **Organizational Chart of Highmark and Insurer Affiliates of Highmark**

A chart reflecting the identities and organization of Highmark and its domestic insurance affiliates is attached at Tab C.

B. **BCNEPA**

1. **General Description of BCNEPA and Affiliates**

BCNEPA is a Pennsylvania nonprofit corporation licensed by the Department to maintain and operate a nonprofit hospital plan pursuant to 40 Pa.C.S §§ 6101-6127. Under this authority, BCNEPA provides traditional indemnity, or “fee for service”, health care insurance coverage to groups and individuals. As an independent licensee of the BCBSA, which owns the Blue names and marks, BCNEPA does business as Blue Cross of Northeastern Pennsylvania in thirteen counties in northeastern and north central Pennsylvania (the “BCNEPA Service Area”). The BCNEPA Service Area includes the following counties: Wayne, Pike, Monroe, Carbon, Luzerne, Lackawanna, Wyoming, Susquehanna, Bradford, Sullivan, Lycoming, Clinton and Tioga. BCNEPA is one of four Blue plans in Pennsylvania and one of 37 Blue plans in the nation.

BCNEPA provides a variety of products including individual plans and Medicare supplement products offered in conjunction with Highmark. BCNEPA also provides stop-loss insurance to its self-funded clients.

BCNEPA administers health plans offered by FPLIC and FPH. FPLIC is a stock life insurance company licensed to issue life and annuities and accident and health products. FPLIC is authorized to issue non-gatekeeper preferred provider organization, exclusive provider organization and traditional indemnity health insurance products and is a licensed controlled affiliate of BCNEPA and Highmark. FPH is a Pennsylvania nonprofit corporation licensed to operate a nonprofit health maintenance organization (“HMO”), also operating as a licensed controlled affiliate of BCNEPA and Highmark. FPH offers HMO coverage to employers and participates in Pennsylvania’s Children’s Health Insurance Program (“CHIP”). Currently, coverage is provided to over 11,000 children and offered without income limitations through the CHIP program. FPLIC is owned 59.9% by BCNEPA and 40.1% by Highmark. FPH is owned 60% by BCNEPA and 40% by Highmark.

BCNEPA is also a member of a joint venture company, AmeriHealth Northeast, LLC (“AHN”), with AmeriHealth Mercy Health Plan (“AMHP”) (a subsidiary of Independence Blue Cross and Blue Cross Blue

Shield of Michigan). AHN brings care and services to Medicaid recipients living in 22 Pennsylvania counties designated by the Pennsylvania Department of Public Welfare as the “New East” zone. BCNEPA and AMHP each own 50% of AHN.

BCNEPA, together with its subsidiaries, serves over 540,000 total subscribers (including BlueCard and Freedom Blue subscribers) and offers a comprehensive portfolio of health insurance products and administrative services to businesses and families across the BCNEPA Service Area.

BCNEPA also has established a private, nonprofit foundation named Hospital Service Association of Northeastern Pennsylvania Foundation d/b/a/ The Blue Ribbon Foundation of Blue Cross of Northeastern Pennsylvania (the “Blue Ribbon Foundation”). The Blue Ribbon Foundation supports community education and prevention initiatives aimed at producing measurable health improvements and helping to manage long-term health costs for residents across the BCNEPA Service Area.

The Blue Ribbon Foundation grant funding emphasizes creative community-based activities, collaboration between multiple organizations and measurable health and wellness outcomes. Nonprofits may qualify for funding under three grant categories:

- *Health and Wellness Impact Grants* support education and prevention initiatives that address the root causes of specific health conditions such as behavioral health, cancer, cardiovascular disease, diabetes, obesity and substance abuse.
- *Health and Wellness Mini-Grants* make smaller amounts available to projects with a broader, yet still health-related, impact on children and families.
- *Access to Health Care for the Uninsured & Underinsured Grants* support community partners as they strive to improve the quality and/or increase the availability of health care services for uninsured and underinsured individuals of all ages.

During its first decade of service, the Blue Ribbon Foundation has awarded nearly \$10 million in grant funding to approximately 170 nonprofits to help meet the health and wellness needs of more than 186,000 at-risk individuals.

BCNEPA also has several commercial business operations.

HMS is a subsidiary that does not offer Blue products. HMS was created to provide health, wellness and disease management programs to BCNEPA employers and businesses outside the BCNEPA Service Area. HMS is located in Wilkes-Barre, Pennsylvania and has a satellite office in Plymouth Meeting.

HRC, located in Woburn, Massachusetts, is a subsidiary of BCNEPA that does not offer Blue products.

**2. Organizational Chart of BCNEPA and Affiliates**

A chart reflecting the identities and organization of BCNEPA and its affiliates is attached at Tab D.

**C. Overview of Highmark’s Business Perspective**

An Overview of Highmark’s Business Perspective relating to the Merger is attached at Tab E.

**D. Overview of BCNEPA’s Business Perspective**

An Overview of BCNEPA’s Business Perspective relating to the Merger is attached at Tab F.

**Item 3: Identity and Background of Individuals Associated with the Applicant**

The principal officers of Highmark are:

- Deborah L. Rice Johnson, President, Highmark Health Plan
- David Holmberg, President, Highmark Diversified Services
- Nanette P. DeTurk, Treasurer
- Thomas L. VanKirk, Secretary

The current Board of Directors of Highmark consists of:

- J. Robert Baum, Ph.D., Chairman of the Board
- David A. Blandino, M.D.
- R. Yvonne Campos
- Thomas J. Castellano, M.D.
- John H. Damcott, D.M.D.
- Thomas R. Donahue
- Don P. Foster, Esq.
- Rufus A. Fulton, Jr.
- William M. George

- Steven M. Hoffman, CPA
- Calvin B. Johnson, M.D., MPH
- Gregory B. Jordan, Esq.
- Mark S. Kamlet, Ph.D.
- David J. Malone
- David M. Matter
- Glen T. Meakem
- Victor A. Roque, Esq.
- Susan W. Shoval
- Doris Carson Williams

William Winkenwerder, Jr., M.D., is the Chief Executive Officer and President of Highmark Health.

Biographical affidavits for senior management and members of the Board of Directors of Highmark are currently on file with the Department. Updated biographical affidavits will be filed if and when necessary.

Updated biographical affidavits for the four members of the BCNEPA Board of Directors who are selected to serve on the Highmark Board of Directors following closing of the Merger will be filed at the time those individuals are selected.

**Item 4: Nature, Source and Amount of Consideration**

There is no cash consideration for the Merger. The consideration consists of the mutual promises and covenants of Highmark and BCNEPA in the Merger Agreement.

**Item 5: Future Plans of the Applicant**

BCNEPA will be merged into Highmark and Highmark will be the surviving corporate entity. Except for the Merger, Highmark has no present plans to declare any extraordinary dividend, liquidate any of the Domestic Insurers, sell their assets to or merge them with any person or persons, or to make any other material change in their business operations or corporate structure or management, except as set forth herein or in the Merger Agreement. Highmark intends to enter into administrative services agreements with both FPLIC and FPH on or after the Effective Date pursuant to which Highmark will provide a full slate of administrative services to FPLIC and FPH. These Agreements will replace current administrative services agreements between BCNEPA and FPLIC and FPH. Highmark intends to enter into a reinsurance agreement with each of FPLIC and FPH on or after the Effective Date pursuant to which Highmark will assume 100% of the risk on all insurance policies written by FPLIC and FPH in exchange for 100% of the premiums received by FPLIC and FPH less an agreed upon ceding allowance.

**Item 6: Voting Securities to be Acquired**

As described above, at closing of the Merger, BCNEPA will merge into Highmark and will cease to exist. By virtue of the Merger, Highmark will acquire the following voting securities:

- 59.9% of the stock of FPLIC.
- 60% of the stock of FPH.

**Item 7: Ownership of Voting Securities**

Highmark currently has no ownership interest in BCNEPA.

Highmark currently has the following ownership of voting securities in subsidiaries of BCNEPA:

- 40.1% of the stock of FPLIC.
- 40% of the stock of FPH.

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

BCNEPA has no voting securities.

With respect to subsidiaries of BCNEPA, the following Shareholders Agreements exist:

- Shareholders Agreement dated as of April 29, 2005 by and among FPH, BCNEPA, and Highmark as amended.
- Shareholders Agreement dated as of April 29, 2005 by and among FPLIC, BCNEPA, and Highmark, as amended.

**Item 9: Recent Purchases of Voting Securities**

None.

**Item 10: Recent Recommendations to Purchase**

None.

## **Item 11: Agreements with Broker-Dealers**

None.

## **Item 12: Financial Statements and Exhibits**

Copies in PDF format of 2008-2012 annual and quarter ending 9/30/13 financial statements for Highmark and its wholly owned Pennsylvania domiciled insurance subsidiaries and for BCNEPA and its insurance subsidiaries are submitted with this filing at Tabs G and H respectively:

- Highmark Inc. (NAIC #54771)
  - Highmark Statutory Financial Statements
  - Highmark Combined GAAP Financial Statements (filed as confidential documents with the Department).
- Highmark Wholly Owned Domestic Insurer Subsidiaries:
  - Highmark Casualty Insurance Company (NAIC #35599)
  - Highmark Select Resources Inc. f/k/a Highmark Senior Resources, Inc. (NAIC #10131)
  - HM Casualty Insurance Company (NAIC #13016)
  - HM Health Insurance Company (NAIC #71768)
  - HM Life Insurance Company (NAIC #93440)
  - Keystone Health Plan West, Inc. (NAIC #95048)
  - United Concordia Companies, Inc. (NAIC #89070)
  - United Concordia Dental Plans of Pennsylvania, Inc. (NAIC #47089)
  - United Concordia Life and Health Insurance Company (NAIC #62294)
- BCNEPA (NAIC #54747)
  - BCNEPA Statutory Financial Statements
  - BCNEPA Consolidated GAAP Financial Statements (filed as confidential documents with the Department).
- BCNEPA Domestic Insurance Subsidiaries:
  - FPLIC (NAIC #60147)
    - FPLIC Statutory Financial Statements

- FPH (NAIC #96601)
  - FPH Statutory Financial Statements

**Item 13: Agreement for Enterprise Risk Management**

Highmark agrees to provide, to the best of its knowledge and belief, the information required by Form F within thirty (30) days after the end of the month in which the acquisition of control occurs and annually thereafter as long as control exists or upon request as necessary for the Commissioner to evaluate enterprise risk of the insurer unless otherwise ordered by the Commissioner.

**Item 14: Signature and Certification**

Pursuant to the requirements of Section 1402 of the Act, Highmark has caused this Application to be duly signed on its behalf in the City of Pittsburgh and Commonwealth of Pennsylvania on the 18<sup>th</sup> day of February 2014.

(SEAL)

**APPLICANT HIGHMARK INC.**

By: Deborah L. Johnson Title: President, Highmark Health Plan

Attest:

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

**CERTIFICATION**

The undersigned deposes and says that she has duly executed the attached application dated February 18, 2014 for and on behalf of Applicant; that she is the President, Highmark Health Plan; 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: Deborah L. Rice Johnson  
Typed Name: Deborah L. Rice Johnson