

**BEFORE THE INSURANCE DEPARTMENT  
OF THE  
COMMONWEALTH OF PENNSYLVANIA**

**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;  
First Priority Life Insurance Company, Inc.;;  
HMO of Northeastern Pennsylvania, Inc.,  
d/b/a First Priority Health**

**By Highmark Inc.**

**BCNEPA RESPONSE TO INFORMATION REQUEST 2.5.1 FROM  
THE PENNSYLVANIA INSURANCE DEPARTMENT**

**REQUEST 2.5.1:**

**Other than the merger contemplated by the Merger Agreement, provide a full description of any plans of the Applicant or any Highmark Entity or any BCNEPA Entity to declare or cause to be declared any extraordinary dividend, liquidate any of the Domestic Insurers, sell, transfer, donate, assign or create any lien or encumbrance upon its assets or merge them with any Person or to make any other material change in their business operations, corporate structure or management. Do not cross reference to other information. Please list and describe each such plan.**

**RESPONSE:**

BCNEPA certifies to the best of its knowledge, information and belief that, other than those described in the Merger Agreement (including the Disclosure Letter), the Form A filing or otherwise set forth in this response, or the integration of management of BCNEPA because BCNEPA will no longer exist as a separate entity if the Transaction is completed, or other than in the ordinary course of business or as described below, BCNEPA is not aware of any plans of any of BCNEPA, FPLIC or FPH to declare or cause to be declared any extraordinary dividend, liquidate any of the Domestic Insurers, sell, transfer, donate, assign or create any lien or encumbrance upon its assets or merge them with any Person or to make any other material change in their business operations, corporate structure or management.

BCNEPA anticipates that there may be changes to executive officers of FPLIC and FPH at the time of or following the merger as a result of Highmark's acquisition of BCNEPA's interest in those entities.

**Hospital Service Association of  
Northeastern Pennsylvania  
d/b/a Blue Cross of Northeastern  
Pennsylvania ("BCNEPA")  
19 North Main Street  
Wilkes-Barre, PA 18711**