

**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 5.4.3.2 FROM
THE PENNSYLVANIA INSURANCE DEPARTMENT**

REQUEST 5.4.3.2:

Compensation: Explain any changes to the compensation arrangements of the officers or members of the senior management team of each Highmark Entity and BCNEPA Entity that will occur if the Transaction is completed.

RESPONSE:

BCNEPA certifies to the best of its knowledge, information and belief that, other than as described in the Merger Agreement, and other than with respect to BCNEPA, which will no longer exist as a separate entity if the Transaction is completed, and other than as described below, BCNEPA is not aware of any anticipated changes to the compensation arrangements of the officers or members of the senior management team of any BCNEPA Entity that will occur if the Transaction is completed.

BCNEPA anticipates that there may be changes to the compensation of the officers or members of the senior management team of Hospital Service Association of Northeastern Pennsylvania Foundation, AllOne Health Group, Inc. and Health Resources Corporation in connection with any changes to the individuals holding those positions. Most of those roles are currently filled by employees of BCNEPA.

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