

**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 5.3.5.1 FROM THE
PENNSYLVANIA INSURANCE DEPARTMENT**

REQUEST 5.3.5.1:

Provide an analysis of the reasonableness of each assumption underlying each set of projections requested above for financial statements (income statement, balance sheet (GAAP/SAP), and cash flow statement) including but not limited to any product/service price increases or decreases, changes in utilization, membership/customer increases/decreases by product or service, detailed breakdown of capital expenditures, and detailed breakdown of any projected operating synergies.

RESPONSE:

BCNEPA certifies to the best of its information, knowledge and belief that it did not prepare any post-Merger projections and that its stand-alone projection were confidentially filed in response to Request 5.3.4(B) together with BCNEPA's analysis of the assumptions underlying those projections.

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