

**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.

**HIGHMARK INC. (“Highmark”) RESPONSE TO INFORMATION
REQUEST 2.3.2 FROM
THE PENNSYLVANIA INSURANCE DEPARTMENT**

REQUEST 2.3.2:

**Describe and analyze the ability of the Class A Members or the Advisory Board to
affect or direct the management or affairs of Highmark or any other Highmark Entity.**

RESPONSE:

Highmark certifies to the best of its knowledge, information and belief as follows:

As a member of the Highmark Board of Directors, each Class A Member will have the same ability to affect or direct the management of affairs of Highmark as each other Highmark direct. The Class A Member will have no supermajority or class voting rights, except that, pursuant to Sections 3.3.2 and 13.1 of Highmark’s proposed Fourth Amended and Restated Bylaws, certain provisions of such Bylaws that relate to the rights or duties of the Class A Members or the Advisory Board may not be amended at any time prior to the fourth anniversary of the effective time of the Merger without the affirmative approval of a majority of the Class A Members then in office.

Pursuant to Section 5.6.4 of the proposed Bylaws, the Advisory Board will have no authority to direct activities of Highmark or to bind Highmark in any respect and will at all times be subject to the powers and prerogatives of the Highmark Board of Directors.

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