

**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 2.5.3.2 FROM THE
PENNSYLVANIA INSURANCE DEPARTMENT**

REQUEST 2.5.3.2:

If any of the funds or other consideration used or to be used by any Highmark Entity or BCNEPA Entity in effecting, consummating or performing the Transaction including the making of distributions of Contributed Property (no matter how described in the Merger Agreement or other Document) is represented or is to be represented by funds or other property borrowed or otherwise obtained for the purpose of acquiring or holding any interest in any Highmark Entity or BCNEPA Entity or otherwise consummating the Transaction, furnish a description of the transaction relating thereto, the names of the parties thereto, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed, and copies of all agreements, promissory notes and security arrangements related thereto.

RESPONSE:

BCNEPA certifies to the best of its information, knowledge and belief the following:

None of the funds or other consideration used or to be used by any BCNEPA Entity in effecting, consummating or performing the Transaction is represented or is to be represented by funds or other property borrowed or otherwise obtained for the purpose of acquiring or holding any interest in any Highmark Entity or BCNEPA Entity or otherwise consummating the Transaction.

BCNEPA is not aware of the source of funds or other consideration used or to be used by any Highmark Entity in effecting, consummating or performing the Transaction.

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