

**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 5.2.18.2 FROM
THE PENNSYLVANIA INSURANCE DEPARTMENT**

REQUEST 5.2.18.2:

With regard to any Joint Venture in effect since January 1, 2012: Please describe what will change operationally and substantively with each Joint Venture, if the Transaction is approved and what transition path is proposed for each current Joint Venture with the merged operation.

RESPONSE:

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

The FPH and FPLIC joint ventures will terminate as a result of the Transaction because Highmark will acquire 100% of the ownership of both companies. BCNEPA is not aware of any specific operational and substantive changes to FPH or FPLIC, but does anticipate that certain changes will occur. Information concerning transition planning is disclosed in BCNEPA's confidential response to Request 5.2.9.1.

**Hospital Service Association of
Northeastern Pennsylvania
d/b/a Blue Cross of Northeastern
Pennsylvania ("BCNEPA")
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