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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

RECEIVED

September 24, 2014

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**INSURANCE DEPARTMENT
LEGISLATIVE OFFICE**

Ms. Cressinda E. Bybee
Senior Insurance Company Licensing Specialist
Pennsylvania Insurance Department
Bureau of Company Licensing and Financial Analysis
1345 Strawberry Square
Harrisburg, PA 17120

Dear Ms. Bybee,

We are writing to you to express our support of the proposed Highmark/Blue Cross of Northeastern Pennsylvania (BCNEPA) merger, which currently awaits Pennsylvania Insurance Department approval. Bringing together these two insurance companies will benefit the communities in which BCNEPA operates and help to create greater health care efficiencies for customers in northeastern and north central Pennsylvania.

In today's challenging and rapidly changing health care environment, smaller health insurers like BCNEPA can greatly benefit from access to scale and financial resources. Larger organizations can fund the infrastructure investments necessary to operate efficiently, comply with governmental requirements and develop new products and services. Highmark offers those financial and infrastructural resources, along with advanced technology and other tools that can support the needs of the region's consumers, employers, physicians and hospitals and improve the quality, accessibility and affordability of health care.

Based on their longstanding, effective relationship serving the health needs of residents in northeastern and north central Pennsylvania, a merger with Highmark provides BCNEPA the least disruptive and most efficient transition option. In many ways, the Highmark/BCNEPA merger is a natural progression of the successful business relationship that the two companies have had for decades. For example, Highmark already provides BCNEPA with claims processing and data center services and has had an ownership interest in two BCNEPA subsidiaries for many years.

Highmark is also a logical partner for BCNEPA based on its strong track record of successful relationships and consolidations with other Blue Cross and Blue Shield companies. Highmark Blue Cross Blue Shield Delaware and Highmark Blue Cross Blue Shield West Virginia are both

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examples of successful Highmark affiliations. This merger would sustain the presence of a nonprofit, Pennsylvania-based organization in the region.

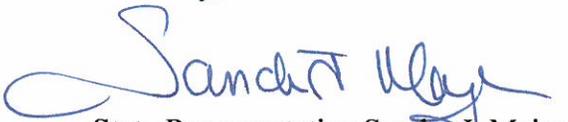
Additionally, the BCNEPA/Highmark merger presents an array of benefits to the residents of northeastern and north central Pennsylvania in terms of community funding, employment opportunity and company leadership. For example, Highmark intends to: preserve jobs in the BCNEPA region by maintaining substantial BCNEPA staffing levels for at least four years; set up a charitable foundation to provide \$100 million in support of health care and economic and community development in the region; incorporate current BCNEPA board members into its own board of directors; and create a local advisory board that will have a voice in major matters for at least four years.

In summary, the proposed Highmark/BCNEPA merger is in the best interest of the people of the BCNEPA region. Pending approval, the merger will ensure a smooth and effective transition of ownership, provide additional resources and scale to supplement company functions and funding for community activities and programs and promote job security for BCNEPA employees.

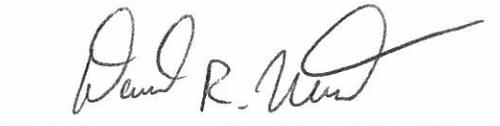
In your review of the proposed Highmark/BCNEPA merger, please keep in mind the points highlighted in this letter. It is our duty to serve the best interest of the people of the Commonwealth.

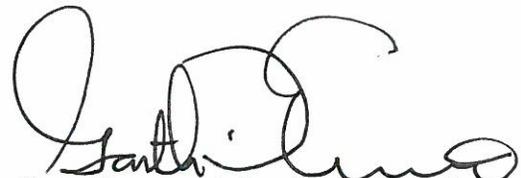
Thank you for your time and consideration.

Sincerely,


State Representative Sandra J. Major
111th Legislative District


State Representative Tina Pickett
110th Legislative District


State Representative David R. Millard
109th Legislative District


State Representative Garth Everett
84th Legislative District


State Representative Michael T. Peifer
139th Legislative District


State Representative Tarah Toohil
116th Legislative District