

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re: : Pursuant to Sections 4161 and
: 4162 of the Business Corporation
Application of Highmark Life Insurance : Law of 1988, Act of December 21,
Company for Approval to Redomesticate : 1988, P. L. 1444, as amended,
from the State of Connecticut to the : 15 Pa.C.S. §§ 4161 and 4162, and
Commonwealth of Pennsylvania : Section 357 of the Insurance
: Company Law, Act of May 17,
: 1921, P.L. 682, No. 284, as
: amended, 40 P.S. § 477e
:
: Order No. ID-RC-03-30

DECISION AND ORDER

AND NOW, on this ___4th___ day of September, 2003, M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”), hereby makes the following Decision and Order:

Pursuant to the Business Corporation Law and the Insurance Company Law and in consideration of the documents, presentations and reports received, as well as other inquiries and studies as permitted by law, the Commissioner hereby makes the following Findings of Fact:

FINDINGS OF FACT

Identity of the Parties

1. Highmark Life Insurance Company (“Highmark Life”) is a foreign stock life insurance company organized under the laws of the state of Connecticut with its principal place of business located in Pittsburgh, Pennsylvania.
2. Highmark Life is a wholly-owned subsidiary of Highmark Life and Casualty Group, Inc.

3. Highmark Life and Casualty Group, Inc. and Highmark Life are members of a holding company system with Highmark Inc., a Pennsylvania non-profit corporation, as the ultimate parent.

Filing of the Application

4. On June 18, 2003, the Insurance Department of the Commonwealth of Pennsylvania (“Department”) received an initial application (which, together with all material received subsequently, is collectively referenced as “Application”) from Highmark Life for approval to redomesticate from the state of Connecticut to the Commonwealth of Pennsylvania.
5. The Application was filed pursuant to Sections 4161 and 4162 of the Business Corporation Law, as amended, 15 Pa.C.S. §§4161 and 4162 (cited as “Business Corporation Law”), and Section 357 of the Insurance Company Law, Act of May 17, 1921, P.L. 682, No. 284, as amended, 40 P.S. §477e (cited as “Insurance Company Law”).

Notice of Filing and Comments

6. On July 5, 2003, the Department published notice in the Pennsylvania Bulletin that the Application was received and such notice invited interested persons to submit comments to the Department regarding the Application for 30 days following the date of the publication (“Comment Period”).
7. During the Comment Period, the Department received no comments regarding the Application.

The Transaction

8. Highmark Life currently holds a Certificate of Authority in the Commonwealth of Pennsylvania as a foreign insurer to transact the accident & health, and life & annuities lines of business.
9. Highmark Life desires to redomesticate to the Commonwealth of Pennsylvania as a domestic stock life insurance company.
10. On May 20, 2003, the Board of Directors of Highmark Life passed a resolution deeming it in the best interest of the company to redomesticate from the state of Connecticut to the Commonwealth of Pennsylvania.
11. On May 21, 2003, Highmark Life and Casualty Group, Inc., as the sole shareholder of Highmark Life, passed a resolution deeming it in the best interest of Highmark Life to redomesticate from the state of Connecticut to the Commonwealth of Pennsylvania.

12. Highmark Life has indicated that its principal place of business will remain in Pittsburgh, Pennsylvania.
13. If any of the above Findings of Fact are determined to be Conclusions of Law, they shall be incorporated in the Conclusions of Law as if fully set forth therein.

CONCLUSIONS OF LAW

1. Section 357 of the Insurance Company Law provides the Commissioner jurisdiction to review and approve the redomestication of Highmark Life.
2. A redomestication by a foreign business corporation is provided for in subsection 4161(a) of the Business Corporation Law.
3. The Application satisfies the requirements of all applicable laws and regulations.
4. If any of the above Conclusions of Law are determined to be Findings of Fact, they shall be incorporated in the Findings of Fact as if fully set forth therein.

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ORDER

Upon consideration of the foregoing, the Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) hereby makes the following Order:

The Application of Highmark Life Insurance Company (“Highmark Life”) for approval to redomesticate from the state of Connecticut to the Commonwealth of Pennsylvania and the issuance of a Certificate of Authority as a domestic stock life insurance corporation, as set forth in the Application, is hereby granted, subject to this Order and the following conditions:

1. Highmark Life shall obtain approval of the redomestication from the Connecticut Insurance Department. A certified copy of the approval issued by the Connecticut Insurance Department shall be provided to the Commissioner within five (5) days of Highmark Life receiving the approval.
2. Highmark Life shall file Articles of Domestication with the Pennsylvania Department of State in accordance with subsection 4161(b) of the Business Corporation Law after receipt of the approval of the Connecticut Insurance Department.
3. Highmark Life shall comply with the requirements of 40 P.S. §991.1405(c)(3) and (4) prior to filing Articles of Domestication with the Pennsylvania Department of State.

4. Highmark Life shall file a copy of the Articles of Domestication, as filed with the Pennsylvania Department of State, with the Department within ten (10) days of receipt from the Pennsylvania Department of State.
5. At the time the Articles of Domestication are filed with the Department, Highmark Life shall file an executed copy of Amended and Restated Bylaws that comply with the requirements of Chapter 31 of the Business Corporation Law.
6. At the time the Articles of Domestication are filed with the Department, Highmark Life shall surrender its current Certificate of Authority as a foreign insurance corporation in exchange for the issuance of a Certificate of Authority as a domestic stock life insurance corporation.

This Order is effective immediately.

M. Diane Koken
Insurance Commissioner
Commonwealth of Pennsylvania