

**BEFORE THE INSURANCE DEPARTMENT
OF THE
COMMONWEALTH OF PENNSYLVANIA**

Statement Regarding the Acquisition of Control of or Merger with Domestic Insurers:

Highmark Inc.; First Priority Life Insurance Company, Inc.;
Gateway Health Plan, Inc.; Highmark Casualty Insurance Company;
Highmark Senior Resources Inc.; HM Casualty Insurance Company;
HM Health Insurance Company, d/b/a Highmark Health Insurance Company;
HM Life Insurance Company; HMO of Northeastern Pennsylvania, Inc.,
d/b/a First Priority Health; Inter-County Health Plan, Inc.;
Inter-County Hospitalization Plan, Inc.; Keystone Health Plan West, Inc.;
United Concordia Companies, Inc.; United Concordia Dental Plans of Pennsylvania, Inc.;
United Concordia Life and Health Insurance Company

By UPE, a Pennsylvania nonprofit corporation

**SUPPLEMENTAL RESPONSE TO PID INFORMATION REQUEST 4.6.2
FROM THE PENNSYLVANIA INSURANCE DEPARTMENT**

REQUEST 4.6.2:

Explain the advantages and disadvantages of the Transaction for members, subscribers, enrollees, policy holders, hospital providers, other health care providers, pharmacies and other affected persons.

SUPPLEMENTAL REQUEST 4.6.2 - Advantages and Disadvantages to Transaction (via letter from PID dated May 3, 2012)

- D. UPE has defined the term “disadvantage” too narrowly. A commonly understood definition of disadvantage is as follows: A disadvantage is (i) an unfavorable condition or circumstance; (ii) any event, matter, occurrence or circumstance that places any Highmark Entity or WPAHS Entity in an unfavorable condition or circumstance; (iii) any damage or loss or risk of damage or loss to any Highmark Entity or WPAHS Entity, especially to reputation or finances; or (iv) any detriment or potential detriment to any Highmark Entity or WPAHS Entity.**
- E. Required Action. Please respond to this Request 4.6.2 based upon the above definition of the term “disadvantage.”**

RESPONSE TO SUPPLEMENTAL REQUEST:

Based on the definition provided in the May 3, 2012 letter, UPE responds as follows.

UPE believes that the Transaction does not present any unfavorable conditions or circumstances or events, matters, occurrences or circumstances that place any Highmark Entity or WPAHS Entity in an unfavorable condition or circumstance. UPE also believes that the Transaction will not involve damage or loss or risk of damage or loss, including financial or reputational risks, except as have been addressed in previously filed documents, including those listed below:

- Overview of Highmark's Strategic Perspective filed at Tab E of the Form A.
- UPE's confidential DOI-135's filed at Tab 8 of Volume II of the Confidential Supplement to the Form A.
- UPE's confidential Response to Information Request 2.1.1
- UPE's confidential Response to Information Request 4.2.3.

UPE does not believe that any detriment or potential detriment to any Highmark Entity or WPAHS Entity is presented by the Transaction other than as may be encompassed in the risks presented in the referenced documents.

UPE
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