

FORM A
STATEMENT REGARDING THE ACQUISITION OF CONTROL OF OR
MERGER WITH A DOMESTIC INSURER

United Concordia Dental Plans of the Midwest, Inc.
(the "Domestic Insurer")

By

UPE, a Pennsylvania nonprofit corporation (the "Applicant")

Filed with the Office of Financial and Insurance Regulation

Dated: January 12, 2012

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning this Statement Should be Addressed.

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Item 1. INSURER AND METHOD OF ACQUISITION

(a) The Domestic Insurer. The name and address of the Domestic Insurer to which this Application relates is:

United Concordia Dental Plans of the Midwest, Inc.
30600 Telegraph Road
Suite 2345
Bingham Farms, MI 48025

(b) The Acquisition of Control.

(i) Control of the Domestic Insurer is to be acquired pursuant to a proposed affiliation between Highmark Inc. ("Highmark") and West Penn Allegheny Health System, Inc. ("WPAHS"). Highmark is a Pennsylvania nonprofit corporation licensed by the Pennsylvania Insurance Department ("Department") to operate a hospital plan and a professional health services plan pursuant to the Health Plan Corporations Act, 40 Pa. C.S. §§6101-6127, 6301-6335 ("HPCA"). Control of Highmark currently resides with its corporate members who comprise the board of directors of Highmark. Highmark is currently the ultimate controlling person in the insurance holding company system of which United Concordia Dental Plans of the Midwest, Inc. is a member.

(ii) Under the terms of the Affiliation Agreement (the "Agreement"), a copy of which is filed herewith as Exhibit 1, UPE, a new Pennsylvania nonprofit corporation will become the sole voting member of Highmark. UPE will hold all rights in the new class of corporate membership in Highmark which will be created and exist in addition to the current class of members which consists of members of the Board of Directors of Highmark. Highmark's Board of Directors will continue to have significant control over the insurance operations. All initial Directors of UPE have been drawn from the Directors of Highmark.

UPE will also become the sole corporate member of a new nonprofit subsidiary of UPE, UPE Provider Sub. UPE Provider Sub will become the sole member of WPAHS which in turn is the parent company of various entities in the WPAHS health system of hospitals and other healthcare providers. UPE and UPE Provider Sub will each have certain reserved powers in WPAHS and a majority of the Board of WPAHS will be appointed by UPE Provider Sub.

(iii) By virtue of the affiliation, the Domestic Insurer will become an indirect, wholly-owned subsidiary of UPE. No change to the capitalization, organizational structure, or other aspect of any of the Domestic Insurer will occur as a direct result of the affiliation.

Item 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Address of the Applicant. The name and address of the Applicant is:

UPE
Fifth Avenue Place
120 Fifth Avenue
Pittsburgh, PA 15222

(b) Nature of Business Operations of the Applicant.

The Applicant was formed on October 20, 2011 as a non-member Pennsylvania nonprofit corporation. The Corporation was organized for scientific, educational and charitable purposes and in this connection has filed an application with the Internal Revenue Service requesting that Applicant be recognized as exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. At closing of the Affiliation Transaction, Applicant will be the sole member of the class of members of Highmark which will elect Highmark's Board of Directors. It is not anticipated that UPE will have significant operations separate from Highmark or WPAHS.

(c) Organizational Charts. A chart reflecting the identities of and interrelationships of Highmark and its affiliates is attached as Exhibit 2. A chart reflecting the identities and interrelationships of WPAHS and its affiliates is attached as Exhibit 3. A chart reflecting the organizational structure of UPE following the affiliation is attached as Exhibit 4.

Item 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT.

(a) Name and Business Address of Directors, Executive Officers and 10% Owners of the Applicant.

The following individuals, each of whom is currently serving on Highmark's Board of Directors, have been elected to UPE's Board of Directors:

- **Kenneth R. Melani, M.D.**
- **J. Robert Baum, Ph.D**
- **David A. Blandino, M.D.**
- **Joseph C. Guyaux**
- **David J. Malone**
- **David M. Matter**
- **Victor A. Roque**

The following individuals, each of whom is currently serving as a senior officer of Highmark, has been appointed as a senior officer of UPE:

- **Kenneth R. Melani, M.D., Chief Executive Officer and President**
- **Nanette P. DeTurk, Chief Financial Officer and Treasurer**
- **Maureen L. Hogel, Secretary**

No person owns or controls more than 10% of the Applicant which is a nonprofit, non-stock corporation.

A complete list of UPE's directors and officers, including their business addresses, is attached as Exhibit 5.

(b) Biographical Affidavits

The present principal business occupation and other required biographical information of persons named in Item 3(a) are set forth in the biographical affidavits of such person, which are provided under Exhibit 6. None of the persons identified in Item 3(a) has been convicted in a criminal proceeding (excluding minor traffic violations) during the last 10 years, and none of the persons has had any civil judgments against such person resulting in \$25,000 or more in civil fines or penalties or injunctive or other equitable relief.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION.

(a) Nature, Source and Amount of Consideration. There will be no cash consideration or exchange of any voting stock of any of Highmark's subsidiaries or affiliates.

(b) Criteria for Determination of Consideration. The terms of the Agreement were determined through arm's length negotiation by the Applicant, Highmark and WPAHS and do not call for consideration to be paid by any party. Under the terms of the Agreement, Highmark has committed to providing \$400,000,000.00 to WPAHS to revitalize its financial condition. Section 2.5 of the Agreement sets forth the timing, terms and conditions associated with Highmark's funding commitments.

ITEM 5. FUTURE PLANS OF INSURER

(a) Plans or Proposals. The Applicant has no present plans for the Domestic Insurer to declare a dividend (whether or not extraordinary), to liquidate the Domestic Insurer, to sell any of its assets, or to merge the Domestic Insurer with any person or persons, or to make any other material change to its business operations, corporate structure or management, except as set forth herein.

(b) Business Plan and Projections.

Enclosed as Exhibit 7 is a business plan for the Domestic Insurer, along with financial projections with assumptions underlying those projections. The business plan includes pro forma financial projections consisting of statutory balance sheets and income statements (the "Projected Financial Statements"). The Projected Financial Statements are based on assumptions and estimates that, while considered reasonable when taken as a whole, are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of the Domestic Insurer and Applicant. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions on which the projections are based will not materialize or will vary significantly from actual results. Consequently, the inclusion of the Projected Financial Statements herein should not be regarded as a representation by the Domestic Insurer or the Applicant or any other person or entity of the results that will actually be achieved.

The affiliation will not have any impact upon, or change, the business operations or the anticipated financial performance of the Domestic Insurer. Upon closing of the affiliation transaction, the current Board of Directors of the Domestic Insurer will continue in office.

The Domestic Insurer is not currently party to any reinsurance agreements whereby it cedes any portion of the risk it underwrites and will not enter into any reinsurance agreements as a result of the affiliation. The books and records for the Domestic Insurer are currently, and will continue to be, located at its main administrative offices at 4401 Deer Path Road, Harrisburg, Pennsylvania.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

This transaction does not involve the sale or purchase of voting securities. Upon the consummation of the affiliation, UPE will have a 100% ownership interest in the Domestic Insurer.

The terms of the affiliation are set forth in the Agreement attached as Exhibit 1.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

UPE's ownership interest in the Domestic Insurer is reflected in Items 1-6.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER.

Other than the Agreement, there are no contracts, arrangements or understandings with respect to any voting securities between the Domestic Insurer and the Applicant.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

None

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

None

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

None

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS.

(a) List of Financial Statements and Exhibits.

Exhibit Reference	Description of Exhibit
Exhibit 1	Affiliation Agreement dated January 10, 2012 (with exhibits and schedules) with redaction of confidential information.
Exhibit 2	Organizational chart presenting the identities of and interrelationships of Highmark and its affiliates.
Exhibit 3	Organizational chart showing the identities of and interrelationships of WPAHS and its affiliates.
Exhibit 4	UPE Organizational chart post affiliation
Exhibit 5	Lists of the Directors and Officers of Applicant
Exhibit 6	Biographical Affidavits for Directors and Officers of Applicant
Exhibit 7	Business Plan for the Domestic Insurer
Exhibit 8	Highmark's Combined GAAP Financial Statements for the years ended December 31, 2006 through December 31, 2010 (Confidential)
Exhibit 9	Annual Statutory Financial Statements for the years 2006-2010 (unless otherwise noted) for Highmark and its Insurance Subsidiaries

Exhibit Reference	Description of Exhibit
Exhibit 10	Quarterly Statutory Financial Statements for the quarter ending September 30, 2011, as applicable, for Highmark and its Insurance Subsidiaries

(b) Description of Financial Statements.

Given that UPE was formed on October 20, 2011, audited annual financial statements are not available. However, this Application does include the following: (1) Highmark's Combined GAAP Financial Statements for the years ended December 31, 2006 through 2010; (2) Annual Statutory Financial Statements for the years 2006-2010 (unless otherwise noted) for Highmark and its Insurance Subsidiaries; and (3) Statutory Quarterly Financial Statements for the quarter ending September 30, 2011, as applicable, for Highmark and its Insurance Subsidiaries.

Highmark Insurer Subsidiaries:

- First Priority Life Insurance Company, Inc.
- Gateway Health Plan, Inc.
- Healthguard of Lancaster, Inc. (2006 only)
- HM Health Insurance Company
- HM Life Insurance Company
- HM Casualty Insurance Company (2007-2010)
- Highmark Casualty Insurance Company
- Highmark Senior Resources Inc.
- HMO of Northeastern Pennsylvania, Inc.
- Keystone Health Plan West, Inc.
- United Concordia Companies, Inc.
- United Concordia Dental Plans of Pennsylvania, Inc.
- United Concordia Life and Health Insurance Company
- Gateway Health Plan of Ohio, Inc.
- HM Life Insurance Company of New York
- Highmark West Virginia Inc., d/b/a Highmark Blue Cross Blue Shield West Virginia
- United Concordia Insurance Company
- United Concordia Insurance Company of New York
- United Concordia Dental Plans, Inc.
- United Concordia Dental Plans of Arizona, Inc. (2006 only)
- United Concordia Dental Plans of California, Inc.
- United Concordia Dental Plans of Delaware, Inc. (2006 only)
- United Concordia Dental Plans of Florida, Inc.
- United Concordia Dental Plans of Illinois, Inc. (2006 only)
- United Concordia Dental Plans of Kentucky, Inc.
- United Concordia Dental Plans of the Midwest, Inc.

- United Concordia Dental Plans of Texas, Inc.
- Inter-County Health Plan, Inc.
- Inter-County Hospitalization Plan, Inc.
- HCI, Inc.
- HM Captive Insurance Company
- United Concordia Dental Corporation of Alabama

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ITEM 13. SIGNATURE AND CERTIFICATION

Pursuant to the requirements of Section 1311 of the Michigan Insurance Code of 1956, as amended, UPE has caused this Application to be duly signed on its behalf in the City of Pittsburgh, and Commonwealth of Pennsylvania, on the 12th day of January, 2012.

UPE

By: Kenneth R. Melani
Kenneth R. Melani, M.D.

Its: President & Chief Executive Officer

Attest:

Wanda L. Hill
(Signature of Officer)

SECRETARY
(Title)

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Application dated January 12, 2012, for and on behalf of UPE; that he is the President & Chief Executive Officer of UPE and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

UPE

By: Kenneth R. Melani
Kenneth R. Melani, M.D.

Its: President & Chief Executive Officer