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Fort Dearborn Life Completes Acquisition of Life and Disability Business from HM Life Insurance Company

(CHICAGO) – August 17, 2006 – Fort Dearborn Life Insurance Company, a subsidiary of Health Care Service Corporation (HCSC), a Mutual Legal Reserve Company, has completed the acquisition of the life and disability business of HM Life Insurance Company (formerly Highmark Life Insurance Company).

“Fort Dearborn Life is committed to growing its group life and disability business,” said Larry Newsom, president and CEO of Fort Dearborn Life. “The employer-employee relationship remains a cost-effective and efficient way to reach consumers, and this acquisition is an important strategic step to fostering an expansion of our distribution system.”

The acquisition will result in approximately \$90 million of additional premium, providing an increase in Fort Dearborn Life’s market share for long-term disability insurance and solidifying its position as one of the largest group life insurance carriers in the United States.

Fort Dearborn Life’s group benefits products will be marketed through HM Insurance Group’s national network of sales offices. In turn, Fort Dearborn Life will refer stop loss insurance opportunities to HM Insurance Group. HM Insurance Group will continue to focus on growing their block of stop loss business as well as to expanding the limited benefit medical plan and worksite products that complement group employee benefit plans.

This transaction does not include the life and disability business of HM Life Insurance Company of New York.

With more than 35 years experience, Fort Dearborn Life is among the country's leading providers of employee benefits. Fort Dearborn Life markets group life, short- and long-term disability, group dental and individual annuity programs. Fort Dearborn Life has \$1.7 billion in assets and \$125 billion of life insurance in-force. Fort Dearborn Life is rated "A+" (Superior) by A.M. Best Company, affirmed August 10, 2006, and is rated "A" (Strong) by Standard and Poor's for financial strength in its most recent report.

HM Insurance Group is licensed in 50 states, and its companies hold A- (Excellent) ratings from A.M. Best Company. The Group's product portfolio consists of employer stop loss insurance, limited benefit medical plans, worksite products, and workers compensation (in Pennsylvania only).

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