

PRIVACY NOTICE REQUIRED UNDER FEDERAL LAW
**THIS NOTICE DESCRIBES HOW PERSONAL OR MEDICAL
INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND
HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE
REVIEW IT CAREFULLY.**

FlexAmerica recognizes the importance of keeping your health information secure and confidential. Under applicable law, we are providing this notice and will make sure that your personal information is used and disclosed in the manner it describes. We reserve the right to amend this notice and any amendment will be effective for all of the information that we already have about you as well as any information that we may receive or create in the future. Our current notice is posted at www.FlexAmerica.com and you may request a copy at anytime.

Under various laws, different requirements apply to types of information that we collect, use and disclose. We use the term “health information” to mean individually identifiable information regarding your health care. We use the term “personal information” to mean both health information and any other non-public identifiable information that we obtain in providing benefits to you, such as your address and Social Security number.

What types of personal information do we collect?

FlexAmerica may obtain an enrollment form and other information in writing, by telephone or electronically from you, your employer or other health benefits sponsor, such as name, address, phone number, Social Security number, date of birth, marital status and other demographic and dependent information or employment information. We also receive information from health care providers and others regarding your health care services and your coverage including health care claims and encounters, medical history and complaint and appeal information.

How do we protect the confidentiality of your personal information?

We restrict access to personal information about you only to those employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards to guard your personal information. Our company is responsible for developing policies and procedures to safeguard personal information against uses and disclosures that are inconsistent with this notice and with training our personnel regarding our privacy and security policies. We may share your personal information without your authorization and in accordance with law with certain affiliated or non-affiliated entities in order for us to conduct our operations. When we share such information, we enter into confidentiality agreements with these entities that prohibit them from disclosing or using the information other than to carry out the purposes of the disclosure, except as permitted by law.

Use and disclosures of personal information

The law recognizes that in administering your benefits we may use and disclose your personal information for all the purposes the law categorizes as “treatment,” “payment” and “health care operations.” The following are examples of these uses and disclosures although not every use or disclosure falling into these categories is listed.

- Treatment. We may use and disclose personal information to health care providers who are providing services to you.
- Payment. We may use and disclose your personal information to determine eligibility for coverage, coordinate care, review medical necessity, pay claims or review and respond to complaints. For example, during the claims adjudication process, we receive personal

information about you to determine what services you actually received and if the services are payable under your contract.

- Health care operations. We may use and disclose your personal information for our operations, including quality improvement activities; responses to member inquiries; appeals and external review programs; general administrative activities; detection and investigation of fraud; auditing; administering pharmaceutical programs and payments; or in the facilitation of a sale, transfer or merger of all or a part of FlexAmerica.
- Other permitted or required uses or disclosures. We may also use or disclose personal information in the following situations: Health care oversight and law enforcement: to comply with responsibilities to federal or state oversight agencies (such as a state's department of insurance or the U.S. Department of Labor). Subsidiaries and affiliate companies: to fulfill our obligations as your administrator. Plan sponsors: to permit health plan sponsors to perform plan settlor or administration. Research: to researchers where all procedures required by law have been taken to protect the confidentiality of the data. Others involved in your health care: unless you inform us in writing, we may disclose personal information to a relative, close personal friend or others involved in your care or payment for that care such as the subscriber of your health benefit plan. For example, we may mail explanations of benefits paid to the address on record for the subscriber. Legal proceedings: to comply with a court order or other lawful process. Business associates: to persons providing services to us who provide us with assurance that they will safeguard the information. Other situations: as detailed in the federal privacy regulations, we also may disclose personal information in certain public interest situations, to inform military or veteran authorities if you are an armed forces member, to coroners, for worker's compensation, national security and generally as required by law.

Other uses

We will obtain your written authorization for uses and disclosures of your health information that are not identified by this notice. You may revoke any such authorization, in writing, at any time but such revocation will not apply to any disclosures that have been made in reliance on your authorization. We do not destroy health information when you terminate your coverage with us. It is necessary to use and disclose your information for many of the purposes described above even after your coverage terminates. However, the policies and procedures that protect that information against inappropriate use or disclosure apply regardless of your coverage status.

Rights established by law

The following rights regarding your health information are established by law but must be exercised by notifying us:

- Inspect and copy health information about you, except for information compiled in reasonable anticipation of, or for use in, a civil, criminal or administrative action or proceeding. We may charge you a fee for the costs of copying, mailing or other supplies associated with your request. Under limited circumstances, we can deny your request to inspect and copy your health information.
- If you believe that your health information is incorrect or incomplete, you may ask us to amend the health information. If we deny your request, we will tell you our reasons for the denial in writing.
- You may request a list of certain disclosures that we made of your health information, including disclosures in response to court orders or disclosures to government agencies that license us. All requests for an accounting of disclosures must state a time period that may not include a date earlier than six years prior to the date of the request and may not include dates before April 14, 2003. (We will provide you with the list free of charge unless we have already provided you with a list within the same 12 month period). Uses

and disclosures identified in this Notice of Privacy Practices will not be included in the accounting.

- You may request a restriction on our use or disclosure of your personal information. However, we are not required to agree to your requested restriction.
- Under certain circumstances, you may request that we tell you about your health information in a certain way or at a certain location. For example, you may ask that we contact you only at work or at home. We will accommodate all reasonable requests, as determined by FlexAmerica.
- You are entitled to receive a paper copy of our Notice of Privacy Practices. You may ask us to give you a copy of this notice at any time.

Complaints

If you believe we have violated the terms of this notice, you may file a complaint with us or the Secretary of the Department of Health and Human Services. You will not be penalized for filing a complaint. To file a complaint with the Secretary, write to 200 Independence Avenue, S.E., Washington, D.C. 20201, or call 1-877-696-6775.

To file a complaint with us, receive more information or make a request permitted by this notice, contact: FlexAmerica, HIPAA Complaint Department, P.O. Box 341130, West Bethesda, MD 20827. Phone: 1-301-530-9400.