

NOTICE OF PRIVACY PRACTICES

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION.
PLEASE REVIEW IT CAREFULLY.

This notice applies to the privacy practices of Wisconsin Physicians Service Insurance Corporation and its wholly owned subsidiary, The EPIC Life Insurance Company (collectively, "WPS"). WPS is required by law to maintain the privacy of your protected health information. We are also required to give you this notice about our privacy practices, our legal duties, and your rights concerning your protected health information.

This notice takes effect April 14, 2003, and we must follow its terms until we replace it. WPS reserves the right to amend this notice at any time and may make the revised notice provisions effective for protected health information we already have about you, as well as for any such information we may later receive. We will promptly revise and distribute this notice whenever material changes are made to its terms. You may request a copy of this notice at any time.

Uses and Disclosures of Protected Health Information

Here are examples of permitted uses and disclosures of your protected health information by WPS. These examples are not exhaustive.

Payment. We may use and disclose your protected health information to pay for your covered benefits. For example, we may review protected health information to pay for your claims from physicians, hospitals and other providers for services delivered to you that are covered by your health plan, to determine your eligibility for benefits, to coordinate benefits, to examine medical necessity, and to obtain premiums.

Health Care Operations. We may use and disclose your protected health information in connection with our health care operations, including such activities as:

- Quality assessment and improvement activities;
- Reviewing the competence or qualifications of health care professionals, evaluating practitioner and provider performance, conducting training programs, accreditation, certification, licensing or credentialing activities;
- Underwriting, premium rating or other activities relating to the creation, renewal or replacement of a contract of health insurance or health benefits. We will not use or further disclose this protected health information for any other purpose, except as required by law, unless the contract of health insurance or health benefits is placed with us. In that case, our use and disclosure of your protected health information will only be as described in this notice;
- Conducting or arranging for medical review, legal services, and auditing, including fraud and abuse detection and compliance;
- Business planning and development; and

- Business management and general administrative activities, including management activities relating to privacy, customer service, resolution of internal grievances, and creating de-identified medical information or a limited data set.

We may disclose your protected information to business associates of WPS to provide necessary services to WPS, if such business associates have agreed to abide by specific provisions protecting the confidentiality of your protected health information.

We may disclose your protected health information to another entity that has a relationship with you and is subject to the federal Privacy Rules, for their health care operations relating to quality assessment and improvement activities, reviewing the competence or qualifications of health care professionals, or detecting or preventing health care fraud and abuse.

Family and Friends. We may disclose your relevant protected health information to family members, friends or others that you identify as being involved with your health care or with payment for your health care. Before doing so, we will provide you with an opportunity to object to such uses or disclosures. If you are not present, or in the event of your incapacity or an emergency, we will disclose your protected health information based on our professional judgment of whether the disclosure would be in your best interest.

Sponsor of Group Health Plan. If you are a member of a group health plan, we may disclose your protected health information to your plan sponsor to carry out plan administration functions that the plan sponsor performs, upon certification by the plan sponsor that the plan documents have been amended to appropriately protect protected health information. We may disclose summary information about the members in your group health plan to the plan sponsor to use to obtain premium bids for the health insurance coverage offered through your group health plan or to decide whether to modify, amend or terminate your group health plan. We may also disclose eligibility, enrollment and disenrollment information to your plan sponsor.

Disasters and Medical Emergencies. We may use or disclose your protected health information to a public or private entity authorized by law or by its charter to assist in disaster relief efforts. We may use or disclose your name, location, and general condition or death to notify, or assist in the notification of (including identifying or locating), a person involved in your care.

Health-Related Benefits and Services. We may use your protected health information to contact you with information about health-related benefits and services or about treatment alternatives that may be of interest to you. We may disclose your protected health information to a business associate to assist us in these activities. We may use or disclose your protected health information to encourage you to purchase or use a product or service by face-to-face communication or to provide you with promotional gifts.

Other Uses or Disclosures Permitted or Required by Law. We may use or disclose your protected health information as permitted or required by law for the following purposes:

- As required by law;
 - For public health activities, including disease and vital statistic reporting, child abuse reporting, FDA oversight, and to employers regarding work-related illness or injury;
 - To report adult abuse, neglect, or domestic violence;
 - To health oversight agencies;
 - In response to court and administrative orders and other lawful processes;
 - To law enforcement officials pursuant to subpoenas and other lawful processes, concerning crime victims, suspicious deaths, crimes on our premises, reporting crimes in emergencies, and for purposes of identifying or locating a suspect or other person;
 - To coroners, medical examiners, and funeral directors;
 - To organ procurement organizations;
 - To avert a serious threat to health or safety;
 - In connection with certain research activities;
- To the military and to federal officials for lawful intelligence, counterintelligence, and national security activities;
 - To correctional institutions regarding inmates; and
 - As authorized by state worker's compensation laws.

Written Authorization. We will not use or disclose your protected health information except as provided in this notice without written authorization from you. If you give us an authorization, you may revoke it in writing at any time. Your revocation will not affect any use or disclosures permitted by your authorization while it was in effect. Unless you give us a written authorization, we cannot use or disclose your protected health information for any reason except those described in this notice.

Individual Rights

Request Restrictions. You have the right to request restrictions on how we use or disclose protected health information about you for treatment, payment or health care operations, or that we disclose to someone who may be involved in your care or payment for your care, like a family member or friend. We are not required to agree to these restrictions, but if we do, we will abide by our agreement (except in an emergency). Your restriction request must be made to us in writing. A person authorized to make such an agreement on our behalf must sign any agreement to restrictions. We will not agree to restrictions on uses or disclosures that are legally required, or which are necessary for us to administer our business.

Confidential Communications. You have the right to request to receive communications of your protected health information from us by alternative means or at alternative locations. We must accommodate your request if it is reasonable; if it specifies the alternative means or location; if it clearly states that the disclosure of all or part of the information could endanger you; and if it continues to permit us to collect premiums and pay claims under your health plan, including issuance of explanations of benefits to the contract holder of the health plan in which you participate. An explanation of benefits issued to the contract holder for health care that you received for which you did not request confidential communications may contain sufficient information to reveal

that you obtained health care for which we paid, even though you requested that we communicate with you about that health care in confidence.

Inspect and Copy. With certain exceptions, you have the right to inspect or copy the protected health information that we maintain on you. You must make a request in writing to obtain access to your protected health information. You may obtain a form to request access by using the contact information listed at the end of this notice. You may also request access by sending us a letter to the address at the end of this notice. If you request copies, we may charge you a reasonable, cost-based fee for staff time to locate and copy your protected health information, and postage if you want the copies mailed to you. If we deny your request to access and inspect your information, you may request a review of the denial.

Amendment. You have the right to request that we amend the protected health information that we maintain on you. Your request must be in writing and must provide a reason to support the requested amendment. We may deny your request to amend personal health information that we did not create and the originator of which remains available; if it is accurate and complete; if it is not part of the information that we maintain; or if it is not part of the information that you would be permitted to inspect and copy. If we deny your request, we will provide you with a written explanation. You may respond with a statement of disagreement to be appended to the information you wanted amended.

Disclosure Accounting. You have a limited right to receive an accounting of the disclosures that we made of your protected health information no earlier than April 14, 2003. This accounting will not include disclosures made for treatment, payment, health care operations, to law enforcement or corrections personnel, pursuant to your authorization, directly to you, or for certain other activities. Your request for an accounting must be made in writing to us and must state the time period, which may not be longer than six years, from which you would like to receive the accounting. If you request this accounting more than once in a 12-month period, we may charge you a reasonable, cost-based fee for responding to these additional requests.

Paper Copy of Notice. You are entitled to receive this notice in written form, even if you have received it on our web site or by electronic mail (e-mail). Please contact us using the information listed at the end of this notice to obtain this notice in written form.

Questions and Complaints

If you believe that WPS may have violated your privacy rights, or if you disagree with a decision we made regarding one of the individual rights provided to you under this notice, you may complain to us using the contact information listed below. You also may submit a written complaint to the Secretary of the U.S. Department of Health and Human Services. We will not retaliate in any way if you choose to file a complaint with us or with the U.S. Department of Health and Human Services.

Further Information. For additional information regarding this notice or our general privacy policies or procedures, contact us at (608) 221-4711 or write to us at WPS Regulatory Services, Attn: Privacy Office, WPS Health Insurance, 1717 W. Broadway, Madison, WI 53713.