

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.

If you have any questions about this Notice, please contact our Privacy Office by calling 1-800-733-1110 or writing to Attn: Privacy Office, P.O. Box 982010, N. Richland Hills, TX 76182-8010.

WHO WILL FOLLOW THIS NOTICE

This Notice of Privacy Practices describes the practices of The Chesapeake Life Insurance Company, The MEGA Life and Health Insurance Company, and Mid-West National Life Insurance Company of Tennessee, (collectively, "We", "Us", or the "Companies").

OUR COMMITMENT TO YOUR PRIVACY

We understand that medical information about you and your health is personal and We are committed to protecting that information. We create a record of your benefits, eligibility status and claims history. We need this record to provide you with quality health care services and to comply with certain legal requirements. Hospitals, physicians and other health care providers providing health care services to you may have different policies or notices regarding their uses and disclosures of your medical information.

This Notice will tell you about the ways in which We may use and disclose medical information about you. This Notice will also describe your rights and certain obligations We have regarding the use and disclosure of medical information.

We are required by law to:

- make sure that medical information that identifies you is kept private;
- give you this Notice of our legal duties and privacy practices with respect to medical information about you; and
- follow the terms of the Notice that is currently in effect.

HOW WE MAY USE AND DISCLOSE MEDICAL INFORMATION ABOUT YOU

We will not disclose your medical information to anyone, except with your authorization or as otherwise permitted or required by law. For some activities, We must have your written authorization to Use or disclose your medical information. However, the law permits Us to use or disclose your medical information for the following purposes without your authorization:

Payment

We may use and disclose your medical information in order to pay for your medical benefits. These activities may include making a determination of eligibility or coverage for insurance benefits, reviewing services provided to you to determine medical necessity, and undertaking utilization review or case management activities with respect to your claims. For example, We may use and disclose your medical information to pay your claims or process your premium payments.

Health Care Operations

We may use or disclose medical information about you for our insurance operations. These uses and disclosures are necessary to run the insurance company and make sure that our insureds receive quality service. Here are some examples of the ways that We use your medical information for our health care operations:

- creation, renewal, replacement or maintenance of your insurance contract;
- placing an insurance contract for reinsurance of our insurance risks;
- claims adjudication;
- disclosures to medical consultants to determine the medical necessity of treatment recommended by your physician;
- policy administration, underwriting and premium rating;
- eligibility determinations;
- detection and investigation of fraud and other unlawful conduct;

- recovery of overpayments;
- conduct of grievances and appeals programs; and
- disclosures to PPO networks for purposes of repricing claims.

We may use or disclose your medical information as necessary to provide you with information about other health-related products or services that are included in your insurance benefits, including communications about replacement of, or enhancements to, an insurance contract. For example, your name and address may be used to send you a newsletter about our organization and your insurance benefits. You may contact our Privacy Office to opt-out of receiving such materials. We will not disclose your medical information to third parties for marketing purposes without your written authorization.

As Required By Law

We will disclose medical information about you when required to do so by federal, state or local law. We must also share your medical information with the Secretary of the Department of Health and Human Services to investigate or determine our compliance with federal privacy laws.

To Avert a Serious Threat to Health or Safety

We may use and disclose medical information about you when necessary to prevent a serious threat to your health and safety or to the health and safety of the public or another person. Any disclosure, however, would only be to someone able to help prevent the threat.

Special Situations

We also may use or disclose your protected health information in the following special situations without your authorization. These situations include:

- **Health Oversight**

We may disclose protected health information to a health oversight agency for activities authorized by law, such as audits, investigations and inspections. Health oversight agencies include government agencies that oversee health plan administration, state insurance regulatory authorities and certain other government regulatory programs.

- **Public Health Risks**

We may disclose medical information about you for public health activities. These activities may include (1) the prevention or control of disease, injury or disability and (2) notifying people of recalls of products they may be using.

- **Judicial and Administrative Proceedings**

We may disclose medical information about you in a judicial or administrative proceeding, if the request for information is through an order from a court or administrative tribunal. Such information may also be disclosed in response to a subpoena or other lawful process, if certain assurances regarding notice to you or a protective order are provided.

- **Law Enforcement**

We may release medical information if asked to do so by a law enforcement official: (1) in response to a court order, subpoena, warrant, summons or similar process; (2) to identify or locate a suspect, fugitive, material witness or missing person; (3) about the victim of a crime if, under certain limited circumstances, We are unable to obtain the person's agreement; (4) about a death We believe may be the result of criminal conduct; or (5) in emergency circumstances to report a crime, the location of the crime or victims, or the identity, description or location of the person who committed the crime.

- **For Specific Government Functions**

We may disclose your medical information for the following specific government functions: (1) health information of military personnel, as required by military authorities; (2) health information of inmates, to a correctional institution or law enforcement official; and (3) for national security reasons.

- **Workers' Compensation**

We may disclose your protected health information as authorized by, and to comply with, Workers' Compensation laws and other similar legally established programs.

YOUR RIGHTS

The following is a statement of your rights with respect to your medical information and a brief description of how you may exercise these rights.

You have the right to inspect and copy your medical information.

You may inspect and obtain a copy of medical information about you for as long as We maintain the medical information. We may charge you a fee for the costs of copying, mailing or other supplies that are necessary to grant your request. You have the right to choose to obtain a summary instead of a copy of your medical information.

Under federal law, however, you may not inspect or copy psychotherapy notes or information compiled in reasonable anticipation of, or for use in a civil, criminal or administrative action or proceeding. In some circumstances, you may have the right to have our decision to deny you access to your medical information reviewed. Please contact our Privacy Office if you have any questions about access to your medical information.

You have the right to request a restriction on the use and disclosure of your medical information.

You have the right to request restrictions on certain uses and disclosures of your medical information. We are not required to agree to a restriction that you request. If We do agree to a requested restriction, We will put the agreement in writing and follow it, except in emergency situations. We cannot agree to limit uses or disclosures of information that are required by law. You may request a restriction by writing to or telephoning our Privacy Office.

You have the right to request to receive confidential communications from us by alternative means or at an alternative location.

You may request that any and all confidential communications regarding your medical information be sent by alternative means or to an alternative location. For example, you may request that We contact you only in writing or at a different residence or post office box. We will accommodate reasonable requests. We may, however, condition such accommodation on your agreeing to permanent communications at the alternative location or by the alternative means. We will not request an explanation from you as to the basis for the request. Please make any such requests in writing to our Privacy Office.

You may have the right to have your medical information amended.

You may request that We amend your medical information that is incorrect or incomplete for as long as We maintain the information. In certain cases, We may deny your request for amendment. If We deny your request for amendment, you have the right to file a statement of disagreement with us and We may prepare a rebuttal to your statement and provide you with a copy of such rebuttal. Any statement of disagreement will become a permanent part of our records. To request an amendment, you must send a written request, along with the reason for the request, to our Privacy Office.

You have the right to receive an accounting of certain disclosures of your medical information.

You have a right to receive an accounting of disclosures of your medical information We have made after April 14, 2003 for purposes other than disclosures (1) for our treatment, payment or health care operations; (2) to you or based upon your authorization; and (3) for certain government functions. To request an accounting, you must submit a written request to our Privacy Office. You must specify the time period, which may not be longer than six years.

You have the right to a paper copy of this Notice.

You have the right to obtain a paper copy of this Notice from Us upon request, even if you have agreed to accept this Notice electronically. To obtain a paper copy of this Notice, please contact our Privacy Office.

CHANGES TO THIS NOTICE

We reserve the right to change this Notice. We reserve the right to make the revised Notice effective for the medical information We already have about you as well as any information We receive in the future. We will post a copy of the revised Notice on any of the following websites: www.chesapeakeins.com, www.megainsurance.com, or www.midwestlife.com. The revised Notice will contain on the first page, in the top right-hand corner, the effective date.

COMPLAINTS

You may contact Us or the Secretary of the United States Department of Health and Human Services if you believe your privacy rights have been violated. To file a complaint with the Companies, contact our Privacy Office. All complaints must be submitted in writing. No retaliatory actions will be taken against you for filing a complaint.

OTHER USES OF MEDICAL INFORMATION

Other uses and disclosures of medical information not covered by this Notice or the laws that apply to Us will be made only with your authorization. If you provide Us with permission to use or disclose medical information about you by signing a written authorization, you may revoke that permission, in writing, at any time. If you revoke your permission, We will no longer use or disclose medical information about you for the reasons covered by your written authorization. You understand that We are unable to take back any disclosures We have already made with your permission.

You may contact our Privacy Office at:

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