

PHYSICIANS MUTUAL INSURANCE COMPANY
PHYSICIANS LIFE INSURANCE COMPANY

NOTICE OF INFORMATION PRACTICES UNDER STATE LAW

Your state of residence requires us to provide you with this Notice.

We may collect nonpublic personal information about you and others to be insured in connection with an application for insurance, a reinstatement of insurance or a claim for benefits under the policy or other insurance transaction.

Such information may be collected from sources other than you and others to be insured. These sources include physicians, other medical personnel and institutions, employers, neighbors, schools, insurers, information collection agencies, insurance support organizations and other investigative agencies.

We may request information concerning such matters as health, prescription drug use, medical opinions regarding disability, employment status, normal occupational duties and ability to perform them, attendance, ability to perform activities of daily living, status as a student, finances, other insurance coverage, accident reports and any other information necessary for proof of loss.

Our techniques to obtain such information include telephone, Internet, written and personal contacts.

We can disclose information about you, without your authorization, in certain circumstances. These situations include but are not limited to disclosure:

- 1) to someone we employ to perform the same functions we perform as your insurer. They would also be bound by the contents of this Notice.
- 2) to an insurance regulatory agency.
- 3) as allowed by law for the detection and prevention of fraud.
- 4) to medical providers to verify insurance coverage.
- 5) of the financial information we collect, to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

However, we do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.

With certain limitations you have the following rights about information we have about you.

- 1) The right to inspect and copy such information.

- 2) The right to know to whom we disclosed this information.
- 3) The right to know the source of the information if the source is an institution.
- 4) The right to the steps you must take to request an amendment of this information.

For the specific procedures regarding these rights, please send a written request to:

ATTN: POS Administration Privacy Desk
Physicians Mutual Insurance Company
P.O. Box 3313
Omaha, NE 68172-4005

OR: 1-800-228-9100

An Insurance Support Organization may be asked to prepare a report for us regarding you and others to be insured. That organization can retain a copy of the report and disclose it to others.

We restrict access to nonpublic personal information about you, except to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with applicable regulations to guard your nonpublic personal information.

ALL631-0107

To receive a copy of the Notice of Privacy Practices Under Federal Law For Protected Health Insurance, please call 1-800-228-9100.

Annual Percentage Rate (APR) Disclosure (For Life and Health Insurance Policyowners Only)
Premium not paid on an annual basis may include an additional charge. The difference in the premium can also be expressed as an Annual Percentage Rate (APR). For more details, call 1-800-228-9100.

JL25-1214

PHYSICIANS MUTUAL INSURANCE COMPANY
PHYSICIANS LIFE INSURANCE COMPANY

NOTICE OF PRIVACY PRACTICES UNDER
FEDERAL LAW FOR PROTECTED HEALTH INFORMATION

This Notice applies to Health Plans issued by Physicians Mutual Insurance Company and Physicians Life Insurance Company. And, the Notice applies to the protected health information (PHI) that comes under our control on or after April 14, 2003.

We are required by law to:

- maintain the privacy of PHI;
- provide you with notice of our legal duties and privacy practices regarding your PHI; and
- abide by the terms of this Notice so long as it remains in effect.

We reserve the right to change the terms of this Notice as necessary and to make the new Notice effective for all PHI maintained by us. Copies of materially revised notices will be mailed to all active policyowners and certificateholders. A copy of the current Notice can be obtained at the address shown below. In the event other applicable laws or regulations prohibit or materially limit our use and disclosure of PHI, we will restrict our use and disclosure of your PHI in accordance with the more stringent standard.

DEFINITIONS

Health Plan means, for purposes of this Notice, the following coverages issued by us: long-term care, home health care, nursing home care, Medicare Supplement, dental, specified disease (e.g. cancer), hospital indemnity, major medical and other coverages that meet the definition of Health Plan contained in HIPAA. The following products are not considered Health Plans: accident only, disability income, life insurance and annuities.

HIPAA means the federal Health Insurance Portability and Accountability Act of 1996 and the Privacy Regulation written by the Health and Human Services Department as a result of HIPAA.

Protected Health Information (PHI) means individually identifiable health information, as defined by HIPAA, that is created or received by us and that relates to the past, present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual, and that identifies the individual or for which there is a reasonable basis to believe the information can be used to identify the individual. PHI includes information of persons living or deceased.

USE AND DISCLOSURE OF YOUR PHI

Your Authorization. Except as outlined below, we will not use or disclose your PHI for any purpose unless you have signed an authorization for the use or disclosure. You have the right to revoke that authorization in writing unless we have taken any action under the authorization.

Use and Disclosure for Payment. We may use and disclose your PHI as necessary for payment purposes. For example, we may use information regarding your medical procedures and treatment to process and pay claims, to determine

whether services are medically necessary or to otherwise pre-authorize or certify services as covered under your Health Plan. We may also forward such information to another health plan, which may also have an obligation to process and pay claims on your behalf.

Use and Disclosure for Health Care Operations. We may use and disclose your PHI as necessary, and as permitted by law, for our health care operations. Examples include, business management, utilization review and management, quality improvement and assurance, enrollment, underwriting, reinsurance, compliance, auditing, rating and other functions related to your coverage. We may also disclose your PHI to another health care facility, health care professional or health plan for their health care operations, but only if that facility, professional or plan also has or had a relationship with you.

Family and Friends Involved In Your Care. With your approval, we may disclose your PHI to designated family, friends and others to facilitate their involvement in caring for you or paying for your care. If you are unavailable, incapacitated or facing an emergency medical situation, and we determine that a limited disclosure may be in your best interest, we may share limited PHI with such individuals without your approval. If you have designated a person to receive information regarding payment of the premium on your Health Plan, we will inform that person when your premium has not been paid. We may also disclose limited PHI to a public or private entity that is authorized to assist in disaster relief efforts in order for that entity to locate a family member or other persons that may be involved in some aspect of caring for you.

Business Associates. Some of our services may be performed through contracts with outside persons or organizations, such as auditing, actuarial services, legal services, etc. At times it may be necessary for us to provide some of your PHI to one or more of these outside persons or organizations. In all cases, we require these business associates to safeguard the privacy of your PHI.

Other Products or Services. We may, from time to time, use your PHI to determine whether you might be interested in or benefit from treatment alternatives or other programs, products or services which may be available to you. For example, we may use your PHI to advise you of a disease management program that may help you better manage your illness; or, we may advise you of other insurance products we offer.

Information Received Pre-enrollment. We may request and receive from you and your health care providers PHI prior to the issuance of coverage. We will use this information to determine whether you are eligible for coverage and to determine your rates. We will protect the confidentiality of that information in the same manner as all other PHI we maintain and, if coverage is not issued, we will not use or disclose your PHI for any other purpose except as permitted or required by law.

Other Uses and Disclosures. We are permitted or required by law to use and disclose your PHI, in certain cases, without your authorization. We may disclose your PHI for any purpose required by law. And, for example:

- We may disclose your PHI for public health activities, such as required reporting of disease, injury, birth and death and for required public health investigations;
- We may disclose your PHI as required by law if we suspect child abuse or neglect; we may also release your PHI as required by law if we believe you to be a victim of abuse, neglect or domestic violence;

- We may release your PHI to the Food and Drug Administration if necessary to report adverse events, product defects or to participate in product recalls;
- We may disclose your PHI under a group Health Plan to your plan sponsor; provided, however, your plan sponsor must certify that the information provided will be maintained in a confidential manner and not used for employment related decisions or for other employee benefit determinations or in any other manner not permitted by law;
- We may disclose your PHI if required by law to a government oversight agency conducting audits, investigations or civil or criminal proceedings;
- We may disclose your PHI if required to do so by a court or administrative order, subpoena or discovery request; in most cases you will have notice of such release;
- We may disclose your PHI to law enforcement officials as required by law to report wounds, injuries and crimes;
- We may disclose your PHI to coroners and/or funeral directors consistent with law;
- We may disclose your PHI if necessary, to arrange an organ or tissue donation from you or a transplant for you;
- We may disclose your PHI for certain research purposes but only as permitted by law;
- We may disclose your PHI if you are a member of the military as required by armed forces services; we may also disclose your PHI if necessary for national security or intelligence activities; and
- We may disclose your PHI to workers' compensation agencies, if necessary, for your workers' compensation benefit determination.

YOUR RIGHTS

Access to Your PHI. You have the right to copy and/or inspect much of the PHI that we retain. All requests for access must be made in writing and signed by you or your representative. We may charge you a fee for copying and postage and for preparing a summary of the requested information if you request a summary. Access request forms are available at our address shown below.

Amendments to Your PHI. You have the right to request that your PHI be amended. We are not obligated to make all requested amendments but will give each request careful consideration. We may refer you to the individual who created the PHI as they would be responsible for responding to your amendment request. Amendment requests must be in writing, signed by you or your representative, and must state the reasons for the amendment request. If an amendment you request is made by us, we may also notify others who work with us and have copies of the uncorrected record if we believe that such notification is necessary. Amendment request forms are available at our address shown below.

Accounting for Disclosures of Your PHI. You have the right to receive an accounting of certain disclosures of PHI made by us after April 14, 2003. Requests must be in writing and be signed by you or your representative. The first accounting in any 12-month period is free. You may be charged a fee for each subsequent accounting we make within the same 12-month period. Accounting request forms are available at our address shown below.

Restrictions on Use and Disclosure of Your PHI. You have the right to request restrictions on certain of our uses and disclosures of your PHI for treatment, payment or health care operations by requesting a restriction in writing. We are not required to agree to your restriction. We retain the right to terminate an agreed to restriction if we believe such termination is appropriate. In the event of a termination by us, we will notify you of such termination. You also have the right to terminate, in writing or orally, any agreed to restriction by sending such termination notice to our address shown below.

Communications With You. We may communicate with you regarding your claims, premiums or other aspects of your coverage. You have the right to request, and we will accommodate reasonable requests by you, to receive communications regarding your PHI by alternative means or at alternative locations. For example, if you do not want messages left on your voice mail or you want messages sent to a particular address, we will accommodate reasonable requests. You may request such confidential communication in writing and may send your request to our address shown below.

Breach Notification. In the case of a security breach which exposes your protected health information, we will notify you as prescribed by law.

Copy of Notice. You have the right to a paper copy of this Notice, even if you have requested such copy by email or other electronic means.

Complaints. If you believe your privacy rights have been violated, you can file a complaint in writing with us at the address shown below. You may also file a complaint with the Secretary of the U.S. Department of Health and Human Services in Washington D.C. in writing within 180 days of a violation of your rights. There will be no retaliation for filing a complaint.

FOR FURTHER INFORMATION

If you have questions regarding this Notice, or want to request any of the forms mentioned in the Notice, you may contact us at:

ATTN: POS Administration Privacy Desk
Physicians Mutual Insurance Company
PO Box 3313
Omaha, NE 68172-4005

OR: 1-866-939-8889

EFFECTIVE DATE : This Notice is effective September 23, 2013.