

**UNITED SECURITY ASSURANCE, INC. NOTICE OF PRIVACY PRACTICES
ON BEHALF OF ITS INSURANCE SUBSIDIARIES,
UNITED SECURITY ASSURANCE COMPANY OF PENNSYLVANIA AND
COLONIAL AMERICAN LIFE INSURANCE COMPANY**

As required by the Privacy Regulations Promulgated Pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and as may be supplemented by State Law.

THIS NOTICE DESCRIBES HOW HEALTH INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO YOUR IDENTIFIABLE HEALTH INFORMATION.

THIS NOTICE ALSO DESCRIBES HOW WE HANDLE AND MAINTAIN OTHER CONFIDENTIAL PERSONAL FINANCIAL INFORMATION (FOR EXAMPLE, YOUR NAME, INCOME, SOCIAL SECURITY NUMBER, PRODUCTS PURCHASED, PREMIUM HISTORIES).

PLEASE REVIEW THIS NOTICE CAREFULLY

A. OUR COMMITMENT TO YOUR PRIVACY.

We are very aware of your concerns about the privacy of non-public personal, health and financial information. We regularly review our information security standards and practices to protect against unauthorized access to information about our applicants, insureds and former insureds.

In conducting our business, we will create records regarding you and the services we provide to you. We are also required by law to provide you with this Notice of Our Legal Duties and Privacy Practices concerning your identifiable health and financial information. By law, we must follow the terms of the Notice of Privacy Practices that we have in effect at the time.

To summarize, this Notice provides you with the following important information:

- how we may collect, use and disclose your identifiable health and financial information;
- your privacy rights, in your identifiable health and financial information;
- our obligations concerning the use and disclosure of your identifiable health or financial information.

THE TERMS OF THIS NOTICE APPLY TO ALL RECORDS CONTAINING YOUR IDENTIFIABLE HEALTH AND/OR FINANCIAL INFORMATION THAT IS COLLECTED, CREATED OR RETAINED BY US. WE RESERVE THE RIGHT TO REVISE OR AMEND OUR NOTICE OF PRIVACY PRACTICES. ANY REVISION OR AMENDMENT TO THIS NOTICE WILL BE EFFECTIVE FOR ALL OF YOUR RECORDS WE HAVE COLLECTED, CREATED OR MAINTAINED IN THE PAST, AND FOR ANY OF YOUR RECORDS WE MAY COLLECT, CREATE OR MAINTAIN IN THE FUTURE. YOU MAY REQUEST A COPY OF OUR MOST CURRENT NOTICE AT ANY TIME.

B. WE MAY COLLECT, USE AND DISCLOSE YOUR HEALTH AND/OR FINANCIAL INFORMATION IN THE FOLLOWING WAYS:

1. **COLLECTION:** We rely on many sources of information to understand and meet your insurance needs. We collect your health and/or financial information from:
 - a. Your applications for insurance or personal worksheets or in other ways such as on the phone, through the mail or when you visit us in person.
 - b. Your transactions with any of the companies in the USA family, primarily claims processing.
 - c. Other sources, such as medical professionals, hospitals, medical care institutions, insurance support organizations, pharmacies, insurance companies, consumer reporting agencies and adult family members.
2. **USE:** We may use and disclose your identifiable health information in order to perform one or more of the following:
 - Claims administration
 - Claims adjustment, investigation, negotiation, settlement and management
 - Detection, prevention, investigation or reporting of actual or potential fraud, misrepresentation or criminal activity
 - Underwriting, including financial suitability
 - Policy placement or issuance
 - Rate making and guaranty fund functions
 - Reinsurance
 - Utilization review
 - Peer review
 - Actuarial research
 - Grievance and complaint procedures
 - Internal administration of compliance, managerial and information systems
 - Policyholder service functions
 - Auditing
 - Reporting such as to consumer reporting bureaus, or legally required reporting of disease, abuse or violence
 - Data base security
 - Administration of consumer disputes and inquiries

- 3. DISCLOSURE:** We do not disclose personal health or financial information about current or former policyholders to non-affiliated parties except as permitted or required by law (such as in response to a subpoena, or to prevent fraud) unless you have authorized, in writing, disclosure.

We do not sell any personal health or financial information about you to any third party. We may, however, in the normal course of business, share information with persons or entities involved in servicing and administering products and services on our behalf such as your insurance agent, reinsurance companies, consumer reporting agencies and medical consultants. Where a joint marketing relationship with another entity is involved, we have contracts in place to ensure your confidentiality. We periodically may use personally identifiable non-public information (non-health) to tell you about products and services available from us or through us. Many of our policyholders appreciate receiving this kind of information. If you do not want us to use or share your financial information - either by phone or by mail - please call us at 1-800-872-3044 to "opt-out".

C. USE AND DISCLOSURE OF YOUR IDENTIFIABLE HEALTH OR FINANCIAL INFORMATION IN CERTAIN SPECIAL CIRCUMSTANCES.

The following categories describe unique situations in which we may use or disclose your identifiable financial or health information.

- **Public Health Risks.** We may disclose your identifiable health information to public health authorities that are authorized by law to collect information for the purposes of investigating abuse or neglect.
- **Health Oversight Activities.** We may disclose your identifiable financial or health information to a health oversight agency for activities authorized by law such as investigations, audits and the health care system in general.
- **Lawsuits and Similar Proceedings.** We may use and disclose your identifiable financial and/or health information in response to a court or administrative order if you are involved in a lawsuit or similar proceeding.
- **Law Enforcement.** We may disclose identifiable financial or health information if requested by a law enforcement official regarding items such as criminal conduct or emergencies.
- **Serious Threats to Health or Safety.** We may use and disclose your identifiable health information when necessary to reduce or prevent a serious threat to your health and safety or the health and safety of another individual or the public.
- **Military.** We may disclose your identifiable health information if you are a member of the U.S. or foreign military forces (including veterans) and if required by appropriate military command authorities.
- **National Security.** We may disclose your identifiable financial or health information to federal officials for intelligence and national security activities authorized by law.
- **Inmates.** We may disclose your identifiable health information to correctional institutions or law enforcement officials if you are an inmate or under the custody of a law enforcement official.
- **Workers Compensation.** We may disclose your identifiable health information for workers compensation and similar programs.

D. YOUR RIGHTS REGARDING YOUR IDENTIFIABLE HEALTH AND FINANCIAL INFORMATION.

You have the following rights regarding the identifiable health (and where applicable, financial) information that we maintain about you:

- 1. Confidentiality Generally.** Information security is one of our highest priorities. This is emphasized by our Employee Handbook, this Privacy Notice and agreements that we have with our Business Associates. Employees who violate our policies and procedures regarding privacy are subject to severe disciplinary action. Our Business Associates are bound to uphold our procedures regarding privacy under the terms of our contracts with them (if not, their contracts are terminated).
- 2. Confidential Communications.** You have the right to request that our office communicate with you about your health and related issues in a particular manner or at a certain location. For example, you may ask that we only contact you at home. In order to request a type of confidential communication, you must make a written request to our Privacy Officer, specifying the requested method of contact, or the location where you wish to be contacted. We will accommodate **REASONABLE** requests.
- 3. Requesting Restrictions.** You have the right to request a restriction in our use or disclosure of your identifiable health information for "payment" ("Payment" means, generally, underwriting, claim adjudications, payments to or from us, review of medical necessity and appropriateness of service). In addition, you may request that we limit our disclosure to individuals involved in your care or the payment of your care, such as family members. **WE ARE NOT REQUIRED TO AGREE TO YOUR REQUEST**; however, if we agree, we are bound by our agreement except when otherwise required by law, in emergencies or when the information is necessary to treat you. In order to request a restriction, you must make a written request and describe in a clear and concise fashion: (a) the information you wish restricted; (b) whether you are requesting to limit our use, disclosure or both; and (c) to whom you want the limits to apply.

4. **Inspection and Copies.** You have the right to inspect and obtain a copy of the identifying financial and health information that may be used to make decisions about you, including, without limitation, medical records and billing records (but not psychotherapy notes). Your request must be in writing and sent to our Privacy Officer. We will charge a fee for the costs of copying, mailing, labor and supplies associated with your request. Current charges are \$1.00 per page plus \$10.00 per hour for staff time. We may, under certain limited circumstances, deny your request to inspect and/or copy; however, you may request a review of our denial. Reviews will be conducted by a licensed health care professional chosen by us.
5. **Amendment.** You may ask us to amend your health information if you believe it's incorrect or incomplete; and, you may request an amendment for as long as the information is kept by or for us. Your request must be in writing and provide us with a reason that supports your request for amendment. We will deny your request if you fail to submit it (and the reason therefor) in writing. We may also deny your request if you ask us to amend information that is: (a) accurate and complete; (b) not part of the identifiable health information kept by or for us; (c) not part of the identifiable health information which you would be permitted to inspect and copy; or (d) not created by us.
6. **Accounting of Disclosures.** All of our customers – past and current – have the right to request an “accounting of disclosures”. This is a list of certain disclosures we have made of your identifiable health information. All such requests must be in writing and state a time period which may not be longer than 6 years and may not include dates before April 14, 2003, unless state law permits an accounting for prior periods. The first list you request within a 12-month period is free; we may charge you for additional lists within the same 12-month period. We will notify you of the costs involved with additional requests; and you may withdraw your requests before you incur any costs.
7. **Right to a Paper Copy of This Notice.** You are entitled to receive a paper copy of this Notice at any time. To obtain a paper copy, contact our Privacy Officer at 1-800-872-3044. We will annually mail this Notice to the address to which we send your policy or account information.
8. **Right to File a Complaint.** If you believe your privacy rights have been violated, you may file a complaint with us or with the U.S. Secretary of Health and Human Services. To file a complaint with us, contact our Privacy Officer. All complaints must be submitted in writing. ***YOU WILL NOT BE PENALIZED FOR FILING A COMPLAINT WITH US OR WITH THE U.S. SECRETARY OF HEALTH AND HUMAN SERVICES.***
9. **Right to Provide an Authorization for Other Uses and Disclosures.** We will obtain your written authorization for uses and disclosures that are not identified by this Notice or permitted by applicable law. Any authorization you provide to us regarding the use and disclosure of your identifiable financial or health information may be revoked at any time in writing. After you revoke your Authorization, we will no longer use or disclose your identifiable financial and health information for the reasons described in the Authorization, except in the following situations:
 - We have taken action in reliance on your Authorization before we received your written revocation.
 - You were required to give us your Authorization as a condition of obtaining coverage.
 - If state law gives us the right to contest a claim under your policy.

E. CONTACT INFORMATION.

In order to exercise any of your rights as set forth in this notice, please write to:

United Security Assurance Company of Pennsylvania or
Colonial American Life Insurance Company, Privacy Officer,
673 Cherry Lane, PO Box 64477,
Souderton, PA 18964.

For further information about matters covered by this notice, please contact the Privacy Office at the above address or call 1-800-872-3044 and ask for the Privacy Officer.