

PRIVACY NOTICE FOR
STERLING Life Insurance Company

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.

A. OUR COMMITMENT TO YOUR PRIVACY

As a valued customer of Sterling Life Insurance Company (“Sterling”), we are dedicated to maintaining the privacy of your health information. In conducting our business, we create and receive records regarding you and any services we provide to you. We are required by federal law to maintain the confidentiality of any health information that identifies you. This Privacy Notice only applies to Medicare supplemental and Medicare Advantage insurance. You are receiving this Privacy Notice because you have at least one of these insurance policies with Sterling.

By choice, we are committed to retaining your trust and keeping your information personal and private.

For the types of insurance coverages mentioned in the first paragraph, we are required by law to provide you with this Privacy Notice explaining our legal duties and privacy practices regarding your health information. Should any applicable law provide protections that are more favorable to protecting your privacy than the requirements of this federal law, we will use the more favorable law’s requirements to protect your health information.

We are required to abide by the terms of this Privacy Notice. However, we reserve the right to change our privacy practices at any time. If we do, we will send you a revised notice with the changes via regular mail, which will specify the date on which such revised Privacy Notice becomes effective. Any changes to this Privacy Notice would naturally be effective for all your health information. The effective date of this Privacy Notice is April 14, 2003.

B. HOW WE MAY USE AND DISCLOSE YOUR HEALTH INFORMATION

Sterling is permitted by law to use your health information for treatment, payment or health care operations. We may also use your health information as permitted and/or required by law and pursuant to your authorization. Except as outlined below, we will not use or disclose your health information unless you have signed a form authorizing such use or disclosure. At any time, you have the right to revoke in writing that authorization. However, under law, we may have the right to contest a claim under a policy or even the policy itself. As such, your revocation will not be allowed when either the issuance of the policy or a claim for benefits is involved. In addition, if Sterling has taken action relying on your authorization, your ability to later revoke your authorization will be limited.

1. For Your Treatment – Sterling may use or disclose your health information to others for treatment purposes. For example, in an emergency situation, we may provide your health care provider information regarding the type of prescription drugs you are taking if necessary for your treatment.

2. For Payment Purposes – Sterling may use or disclose your health information to fulfill our responsibilities for coverage and to provide you with benefits under your insurance policy.

For example, we may disclose your health information in order to pay for health or medical services and items you receive. We may also contact your doctor or a hospital where you are treated to certify the specifics of a treatment that you received.

3. For Our Operations – Sterling may use and disclose your health information in order to operate our business. Such activities may include: evaluating the performance of our insurance product offerings; underwriting, premium rating, and other activities relating to the creation, renewal or replacement of our insurance policies; conducting audit functions, including fraud and abuse detection and compliance programs; and performing business management and general administrative activities.

4. To Assist You Or Others Responsible For Your Care – If you are available and do not object, we may disclose your health information to your family, friends, and others who are involved in your care or payment of your health care. If you are unavailable or incapacitated and we determine that a limited disclosure is in your best interest, we may share your health information with such individuals. For example, we may use our professional judgment to disclose your health information to your spouse concerning the processing of a claim. In accordance with this paragraph, we may also disclose your health information to a public or private entity authorized by law to assist in disaster relief efforts in order for such entity to communicate with a family member or other person involved in your care.

5. Other Uses and Disclosures – Unless otherwise prohibited by law, we may make certain other uses and disclosures of your health information without your authorization or providing you with the opportunity to agree or object. We may use or disclose your health information:

- to the extent required to comply with the law;
- for public health activities, such as reporting of disease, injury, birth, death, and for public health investigations;
- to the proper authorities, as provided by law, if we suspect child abuse or neglect or domestic violence, or if we believe that you are a victim of abuse, neglect, or domestic violence;
- to a health oversight agency for oversight activities authorized by law such as audits; investigations; and civil or criminal proceedings;
- in the course of a judicial or administrative proceeding (for example, in response to a subpoena or discovery request);
- to the proper authorities for law enforcement purposes;
- to coroners, medical examiners or funeral directors, consistent with applicable law;
- for purposes associated with organ, eye or tissue donation or transplantation;
- for research purposes, but only as permitted by law;
- to avert a serious threat to health or safety;
- for specialized governmental functions, such as the proper execution of a military mission or for national security or intelligence activities;
- to a correctional institution or law enforcement custodian; and
- to the extent necessary to comply with laws relating to workers' compensation or other similar programs that provide benefits for work-related injuries or illness without regard to fault.

C. YOUR RIGHTS TO YOUR HEALTH INFORMATION

You have certain rights regarding the health information we maintain about you. The following describes your specific rights.

1. You Can Request Confidential Communications Via Alternative Means or Locations.

You can ask us to communicate with you in a particular manner or at a certain location. For example, you may ask that we communicate with you at work rather than at home, or that we contact you only by phone and not by mail. We are required to accommodate reasonable requests if you inform us that the disclosure of all or part of your health information could place you in danger. Requests for confidential communications must be in writing, signed by you or your representative, and sent to our offices at the address provided at the end of this Privacy Notice.

2. You Can Request Use and Disclosure Restrictions or Limitations.

You can request that we restrict or limit our use and disclosure of your health information, but we are not required to agree to your request. If you request us to restrict or limit the use or disclosure of your health information, your written request must describe in detail the restriction(s) or limitation(s) you are requesting, what information you would like to restrict or limit and to whom you want the limitation or restriction to apply (e.g., your spouse). We retain the right to terminate any agreed restriction or limitation. In the event that we terminate your restriction or limitation, we will notify you of such termination. You also have the right to terminate any agreed upon restriction or limitation by writing to us at the address provided at the end of this Privacy Notice.

3. You Have The Right To Inspect and Have Copies Of Your Health Information.

You can review or get copies of certain health information that we maintain about you. Request forms are available by writing to the address at the end of this Privacy Notice. We may charge you a fee for the costs of copying, mailing and the labor and supplies associated with your written request.

4. You May Request an Amendment to Your Health Information.

If you believe that the health information we have is incorrect or incomplete, you have the right to request that we amend the information. We are not obligated to make all requested amendments but will give each request careful consideration. All requests for amendment must state the reasons for the requested amendment in writing, must be signed by you or your representative, and must be sent to the address at the end of this Privacy Notice. In certain cases, your request may be denied. For example, we may deny a request if the information we have on file is accurate or if we didn't create the information. We will notify you in writing of any denial. You may respond by filing a written statement of disagreement with us, and we have the right to rebut the disagreement statement. Should this occur, you have the right to request that your original request, our denial, and any statement of disagreement, along with our rebuttal, be included in future disclosures of your health information.

5. You Can Request To Have An Accounting of Disclosures.

If Sterling makes your health information available to others, you may request an accounting of certain disclosures from us. We are not required to keep an accounting of certain disclosures, such as disclosures made to underwrite an insurance application from you, for resolution of a

claim for benefits, or pursuant to a written authorization from you. Requests must be in writing and must include the stated period for which you wish to receive an accounting of disclosures. The time period requested cannot be for longer than six years and may not include dates before April 14, 2003. The first request for an accounting of disclosures within a twelve-month period is free of charge, but we are permitted to charge you for any additional requests during that same period. Should you submit an additional request, Sterling will advise you of any costs and permit you to withdraw your request before incurring any charges.

6. You Have A Right To A Paper Copy Of This Privacy Notice.

You can request from Sterling a paper copy of this Privacy Notice at any time by contacting us at the address or telephone number provided in this Privacy Notice.

7. You Have The Right To File A Complaint.

If you believe your privacy rights have been violated, you may file a complaint with us in writing at the address below. You may also file a complaint with the U.S. Secretary of the Department of Health and Human Services in Washington, D.C. If you choose to file a complaint, we are prohibited by law from retaliating against you for filing such complaint.

D. CONTACT INFORMATION

1. To Contact Us In Writing

Send your letter to: Sterling Life Insurance Company
2219 Rimland Drive
Bellingham, Washington 98226
Attn: Privacy Officer

2. To Contact Us If You Want More Information

Call 1-800-688-0010.