

Effective Date: April 14, 2003

**GUARANTEE TRUST LIFE INSURANCE COMPANY
1275 MILWAUKEE AVENUE
GLENVIEW, ILLINOIS 60025**

NOTICE OF HEALTH PLAN 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 of Privacy Practices (Notice) is provided to you as a requirement of the Health Insurance Portability and Accountability Act (HIPAA). This Notice will tell you the different ways in which we may use and disclose your personal health information to carry out payment or health care operations, your rights to access, your right to amend your protected health information and for other purposes that are required or permitted by law. By law, we must follow the terms of the Notice that Guarantee Trust Life Insurance Company (GTL) currently has in effect.

Protected health information is information about you, including demographic information that may identify you and that relates to your past, present or future physical or mental health and related health care services and the past, present or future payment for the provision of health care to you.

HOW WE MAY USE AND DISCLOSE PROTECTED HEALTH INFORMATION ABOUT YOU

GTL understands that medical information about you and your health is personal. That's why GTL is committed to protecting your health information in a responsible and professional manner. For each category of use and disclosure, we will explain what we mean and give an example.

If a use or disclosure of protected health information described within this Notice is prohibited or materially restricted by State law, GTL will abide by the more stringent law, except if the disclosure is:

1. required by the Secretary of Health and Human Services (HHS) to determine if we are in compliance with HIPAA; or
2. to the individual insured who is the subject of the protected health information.

CATEGORIES OF GTL'S USE AND DISCLOSURE OF PROTECTED HEALTH INFORMATION

A. Payment

We may request, use and disclose your protected health information, as needed, to determine or fulfill our responsibility for coverage and reimbursement for the provision of benefits under your health plan. This may include, but is not limited to:

1. determinations of eligibility of coverage (including coordination of benefits with other insurers or the determination of cost sharing amounts) and adjudication or subrogation of health benefit claims;
2. risk adjusting based on enrollee health status and demographic characteristics;
3. billing, claims management, collection activities, obtaining payment under a contract for reinsurance;
4. review of health care services with respect to medical necessity, coverage under a health plan, appropriateness of care or justification of charges; and
5. utilization review activities, including pre-certification and pre-authorization of services, concurrent and retrospective review of services, and disclosure to consumer reporting agencies of any of the following protected health information relating to collection of premiums or reimbursement:
 - a. name and address;
 - b. date of birth;
 - c. social security number;
 - d. payment history;
 - e. policy/account number; and
 - f. name and address of the health care provider and/or health plan.

For example, if your coverage has a coordination of benefits or other type of cost sharing provision, we may request and disclose protected health information about you to the other health plan carrier to determine the benefits due under the terms of your health plan with us. We may also contact your provider regarding your medical treatments and request details to determine if your coverage will pay for the treatments.

B. For Health Care Operations

We may use and disclose protected health information about you to support our business operations or the business operations of another insurer. These uses and disclosures are necessary to run the company and make sure all of our policyholders receive the services and benefits provided by their health plan coverage. These activities include, but are not limited to:

1. underwriting, premium rating, and other activities relating to the creation, renewal or replacement of a contract of health insurance or health benefits, and ceding, securing, or placing a contract for reinsurance of risk relating to claims for health care (including stop-loss insurance and excess of loss insurance);
2. conducting or arranging for medical review, legal services, and auditing functions, including fraud investigations;
3. business planning and development, such as conducting cost-management studies and analyses related to managing and operating the company, including development or improvement of methods of payment or coverage policies; and
4. business management and general administrative activities of the company, including, but not limited to:
 - a. customer service, including the provision of data analyses for policyholders, plan sponsors, or other customers;
 - b. resolution of internal grievances; and
 - c. marketing for which an individual authorization is not required provided when we use or disclose protected health information to make a marketing communication such communication occurs in a face-to-face encounter with the individual, concerns products or services of nominal value, or concerns the health-related products and services of GTL or of a third party. For example, we may contact you about other health insurance products that could enhance or substitute for existing health plan coverage and about health related products and services that may add value to your health plan.

We may share protected health information with your family, friends, personal representative or other individual you identify who is involved in your care or payment of a claim unless you object.

We may also share your protected health information with third party “business associates” that provide activities (e.g., billing, claim adjudication and underwriting services) for GTL. Whenever an arrangement between GTL and a business associate involves the use or disclosure of your protected health information we will have a written contract that sets forth the terms regarding the use and disclosure of your protected health information.

We may also remove information that identifies you from a designated record set of medical information so others may use the information to study statistical trends in health care delivery without learning who the specific policyholders are. Designated Record Set means the protected health information maintained and used by us to make decisions about you.

We will also disclose medical information about you when required to do so by federal, state, or local law.

C. Lawsuits and Disputes

If you are involved in a lawsuit or a dispute, we may disclose protected health information about you in response to a court or administrative order. We may disclose protected health information about you in response to a subpoena, discovery request, or other lawful process by someone else involved in the dispute, but only if efforts have been made to tell you about the request or to obtain an order protecting the information requested.

D. Law Enforcement

We may release medical information if asked to do so by a law enforcement official in response to a court order, subpoena, warrant, summons, or similar process. We may also disclose your protected health information if we suspect child abuse or neglect; we may also disclose your protected health information if we believe you to be a victim of abuse, neglect, or domestic violence.

E. Health Oversight Activities

We may disclose protected health information to a health oversight agency for activities authorized by law. These oversight activities include, for example, audits, investigations, inspections, and licensure. These activities are necessary for the government to monitor the health care system, government programs, and compliance with civil rights laws.

YOUR RIGHTS REGARDING PROTECTED HEALTH INFORMATION ABOUT YOU

You have the following rights with respect to the protected health information we maintain about you.

You have the right to inspect and copy your protected health information. This means you may inspect and obtain a copy of protected health information about you that is contained in a designated record set for as long as we maintain the protected health information.

Under federal law, however, you may not inspect or copy the following records: psychotherapy information compiled in reasonable anticipation of, or use in, a civil, criminal, or administrative action or proceeding, and protected health information, that is subject to law that prohibits access to protected health information. Depending on the circumstances, a decision to deny access may be reviewable and in some circumstances, you may have a right to have this decision reviewed.

To inspect and copy protected health information that may be used to make decisions about you, you must submit your request in writing to us or to the business associate who maintains the medical information. If we would prefer to send you a summary or explanation of your medical information rather than the actual records, we may do so only with your consent. If you request a copy of the information, we may charge a fee for the costs of copying, mailing or other supplies associated with your request.

We may deny your request in whole or in part to inspect and copy records in certain very limited circumstances. If you are denied access to medical information, we will provide a written notice explaining the basis for the denial. You may also request that the denial be reviewed. The person conducting the review will not be the same person who denied your request. We will comply with the outcome of the request.

Other uses and disclosures of protected health information. Uses and disclosures of your protected health information, other than for payment and health care operations, will be made only with your written authorization, unless otherwise permitted or required by law. You may revoke an authorization, at any time, in writing, except to the extent that GTL or a business associate has taken an action in reliance on the use or disclosure of the protected health information indicated in the authorization. Nor may you revoke your authorization if signing it was a condition of obtaining insurance and we have the right, under other law, to contest a claim under the policy. You understand we are required to retain any protected health information that we relied on for payment or health care operations

You have the right to request a restriction of your protected health information. This means you may ask us not to use or disclose any part of your protected health information for the purposes of payment or health care operations. You may also request that any part of your protected health information not be disclosed to family members or friends who may be involved in your care or for notification purposes as described in this Notice. Your request must state the specific restriction requested and to whom you want the restriction to apply. We are not required to agree to a restriction that you may request and we retain the right to terminate an agreed to restriction if we believe it's inappropriate. Additionally requesting certain limitations may affect payment of benefits under your health plan.

To request restrictions, you must make your request in writing to our Customer Service Department. In your request, you must tell us: (1) what information you want to limit; (2) whether you want to limit our use, disclosure, or both; and (3) to whom you want the limits to apply, for example, disclosures to your spouse.

You have the right to request and receive confidential communications from us by alternate means or at an alternative location. We will accommodate reasonable requests. We may condition your request by asking for information as to how payment will be handled or specification of an alternative address or other method of contact. We will not request an explanation from you as to the basis for the request. For example, you can ask that we only contact you at work or by mail. Requests for confidential communications must be made in writing, signed by you and sent to GTL. Your request must specify how or where you wish to be contacted.

You have the right to request an amendment of your protected health information. You may request an amendment of your health information contained in a designated record set for as long as the information is kept by GTL or any of our business associates if you believe it is inaccurate or incomplete. To request an amendment, your request must be in writing, must be signed by you and submitted to us. In addition, you must provide a reason that supports your request. 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. We will provide you with a copy of any such rebuttal.

In certain cases, we may deny your request for an amendment if it is not in writing or does not include a reason to support the request. In addition, we may deny your request if you ask us to amend information that:

1. was not created by us, unless the person or entity that created the information is no longer available to make the amendment.
2. is not part of the designated record set kept by us.
3. is not part of the information which you would be permitted to inspect and copy; or
4. is accurate and complete.

You have the right to receive an accounting of certain disclosures. This is a list of disclosures, if any, we have made of your protected health information. This right applies to disclosures for purposes other than: (1) payment or health care operations as described in this Notice; (2) information disclosed pursuant to an Authorization; or (3) information that is incidental to a use or disclosure otherwise permitted. It excludes disclosures we may have made to you, to family members, friends, or personal representative involved in your care, or for notification purposes. You have the right to receive specific information regarding these disclosures that occurred after April 14, 2003. We may charge you a fee for each accounting of disclosures you request. This right to receive this information is subject to certain exceptions, restrictions and limitations.

To request this accounting of disclosures, your request must be in writing, signed by you and submitted to our Customer Service Department. Your request must state a time period, which may not be longer than six years. Such disclosure may be for a period of time less than six years.

You have the right to obtain a paper copy of this notice. You may ask us to give you a paper copy of this notice at any time. Even if you agreed to accept this notice electronically, you are still entitled to a paper copy of this notice.

You may obtain the Notice electronically at our website, www.gtlic.com.

To obtain a paper copy of this Notice, call 1-800-338-7452 or write to our Customer Service Department at Guarantee Trust Life Insurance Company, 1275 Milwaukee Avenue, Glenview, IL 60025.

GTL'S DUTIES REGARDING YOUR PROTECTED HEALTH INFORMATION

1. We are required by law to maintain the privacy of protected health information and to provide you with this Notice. This Notice explains our legal duties and privacy practices with respect to protected health information.
2. We are required to abide by the terms of the Notice currently in effect.
3. We reserve the right to change this Notice at any time. If we materially change the terms of this Notice we will mail you a copy of the revised Notice if you are then covered by one of our health plans. We reserve the right to make the revised or changed Notice effective for medical information we already have about you, as well as any information we receive in the future. We will also post a copy of the current Notice on our website.

COMPLAINTS

If you believe your privacy rights have been violated, you may file a complaint in writing with us at the address shown below. You may also file a complaint in writing with the Secretary of the Department of Health and Human Services in Washington, DC. To file a complaint with us, contact our Consumer Affairs Department at Guarantee Trust Life Insurance Company, 1275 Milwaukee Avenue, Glenview, IL 60025. You will not be penalized for filing a complaint.

For further information about the complaint process or if you have any questions about this Notice, you may contact our Customer Service Department at 1-800-338-7452. Otherwise, it is not necessary for you to take any action as a result of this Notice unless you wish to exercise one or more of your rights as explained within this Notice.

This Notice is effective April 14, 2003.