

MAXCORP HIPAA PRIVACY POLICY

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.

The following is the Notice of HIPAA privacy policy and practices (the "Notice") of Maximum Corporation and its affiliates, including, but not limited to: Insmark Corporation, Champions Life Insurance Company, Central Security Life Insurance Company, and Western American Life Insurance Company, hereafter known as "MaxCorp."

MaxCorp will use and share protected health information of Insureds as necessary to carry out payment and health care operations as permitted by law. We are required by law to maintain the privacy of our Insureds' protected health information and to provide Insureds with notice of our legal duties and privacy practices with respect to your protected health information. We are required to 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 and to make the new Notice effective for all protected health information maintained by us. Copies of any revised notices will be mailed to all Insureds then covered by MaxCorp.

Uses and Disclosures of Your Protected Health Information

This section describes uses and disclosures of your protected health information that we may make. In some states, more stringent laws may limit or prohibit a use or disclosure described below. In those circumstances, MaxCorp will conduct itself according to the more stringent law.

Your Authorization. Except as described in this Notice, we will not use or disclose your protected health information without written authorization from you. If you do authorize MaxCorp to use or disclose your protected health information for another purpose, you may revoke your authorization in writing at any time. If you revoke an authorization, MaxCorp will no longer use or disclose your protected health information in the manner covered by that authorization, except to the extent that MaxCorp has taken action in reliance on the authorization, or if the authorization was obtained as a condition of obtaining insurance coverage, MaxCorp has the right to contest a claim under a policy or to contest the policy itself.

Uses and Disclosures for Payment. MaxCorp will make uses and disclosures of your protected health information as necessary and as permitted by law for payment purposes. For example, we may use information regarding your medical procedures and treatment to process and pay claims or to determine whether services are covered under your health insurance plan. MaxCorp may also forward such information to another health plan, which may also have an obligation to process and pay claims on your behalf.

Uses and Disclosures for Health Care Operations.

MaxCorp will use and disclose your protected health information as necessary, and as permitted by law, for our health care operations. This includes enrollment, underwriting, policy issuance, securing reinsurance, customer service, and other activities relating to the creation and servicing of your insurance coverage, compliance, auditing, rating, fraud and abuse detection, business management and general administrative activities, quality improvement and assurance, and other functions related to your health insurance policy.

Disclosures to an Employer for Premium Payment

Purposes. MaxCorp may disclose to your employer when necessary for premium payment purposes only: your name, address, policy number, and premium amount due for your health insurance policy. Be assured that MaxCorp will not disclose any other protected health information to your employer without your written authorization.

Family and Friends Involved In Your Care. With your approval, MaxCorp may from time to time disclose your protected health information to designated family, friends, and others who are involved in your care or in payment for your care. Such disclosures are limited to the information necessary to facilitate that person's 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 protected health information with such individuals without your approval. If you have designated a person (i.e., secondary addressee) to receive information regarding payment of the premium on your health insurance policy, we will inform that person when your premium has not been paid. We may also disclose limited protected health information 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 person that may be involved in some aspect of caring for you.

Payment of Claims. We may contact you and/or your authorized representative to provide information on payment of your claims.

Other Uses and Disclosures. We are permitted or required by law to make certain other uses and disclosures of your protected health information without your authorization. We may release your protected health information:

- for public health activities, such as required reporting of disease, injury, birth and death, and for required public health investigations;
- as required by law if we believe you to be a victim of abuse, neglect, or domestic violence;
- if required by law to a government oversight agency conducting audits, investigations, or civil or criminal proceedings;
- if required to do so by a court or administrative subpoena or discovery request; in most cases you will have notice of such release;
- to law enforcement officials as required by law to report wounds and injuries and crimes;
- to law enforcement agencies to help prevent fraud, or alert them that unlawful activity may have occurred;
- if you are a member of the military as required by armed forces services;
- if necessary for national security or intelligence activities;
- to insurance and other regulatory authorities;
- to workers' compensation agencies if necessary for your workers' compensation benefit determination;
- to our reinsurers;
- to your attending physician or medical professional or facility to enable them to inform you of medical information of which you may not be aware; and
- to others as permitted or required by law.

Rights That You Have

You have a number of rights related to your protected health information that are described below. All communication and requests regarding those rights should be submitted in writing, signed by you or your personal representative and mailed to our Privacy Official at the address listed at the end of this Notice.

Access to Your Protected Health Information. You have the right to copy and/or inspect protected health information in certain records that we retain on your behalf, including your application, billing and benefit statements, claim forms, policy change requests, and records relating to your health or medical condition or treatment. We may charge you a reasonable, cost-based fee for any copies you request. We may also charge for postage if you request a mailed copy and will charge for preparing a summary of the requested information if you request one.

Amendments to Your Protected Health Information.

You have the right to request that certain protected health information that we maintain about you be amended or corrected. We are not obligated to make all requested amendments but will give each request careful consideration. All amendment requests must state the reasons for the amendment/correction request. If we make an amendment or correction you request, we may also notify others who work with us and have copies of the uncorrected record if we believe that such notification is necessary. Please understand that we will not amend protected health information that we did not create unless we are notified of the need for amendment by the entity that created it. For example, requests to amend information in your medical records need to be directed to the medical provider or facility that created the information.

Accounting for Disclosures of Your Protected Health Information.

You have the right to receive an accounting of certain disclosures we make of your protected health information after April 14, 2003. The first accounting in any 12-month period is free; you may be charged a reasonable, cost-based fee for each subsequent accounting you request within the same 12-month period.

Restrictions on Use and Disclosure of Your Protected Health Information. You have the right to request restrictions on certain of our uses and disclosures of your protected health information for payment or health care operations. Your request must describe in detail the restriction you are requesting. We are not required to agree to your request for a restriction.

Requesting Confidential Communication of Your Protected Health Information. You have the right to request that communications regarding your protected health information from us be delivered by alternative means or at alternative locations. We will accommodate reasonable requests, such as instructions that messages not be left on voice mail or sent to a particular address.

Complaints

If you believe your privacy rights have been violated, you can file a complaint in writing with our Privacy Official at the address listed at the end of this Notice. You may also file a complaint in writing with the Secretary of the U.S. Department of Health and Human Services in Washington D.C. 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, wish to request a paper copy of this Notice, or need further information regarding this Notice, you may do so by sending a letter to:

Privacy Official
MaxCorp
PO Box 833879
Richardson, TX 75083-3879
972-699-2770

The current version of this document is available at www.cslic.com.

EFFECTIVE DATE

This Notice of Privacy Practices is effective April 14, 2004.

HIPAA 2004.04.14