Texas Life, Accident, Health, and Hospital Service Insurance Guaranty Association

Privacy Policy

Purpose and Overview

The Texas Life, Accident, Health, and Hospital Service Insurance Guaranty Association ("Association") has voluntarily adopted this Privacy Policy (the "Privacy Policy" or "Policy") as a good practice to safeguard information of a sensitive or confidential nature relating to the owners, insured lives, and beneficiaries of insurance policies that the Association receives in the course of carrying out its statutory obligations. This information, referred to as "Personal Information" includes, by way of example and not limitation: names, addresses, phone numbers, e-mail addresses, dates of birth, policy numbers, account numbers, social security numbers, tax identification numbers, and policy and claim history.

Application

This Privacy Policy applies to the Association and its representatives as it carries out its statutory obligations in all life, health, and annuity insolvencies, and with respect to potential life, health, and annuity insolvencies in which the Association receives or creates Personal Information. As a general rule, the Association will maintain all Personal Information in confidence, except as permitted by this Privacy Policy.

Components of Policy

This Privacy Policy is organized in two sub-policies: the first, "Privacy Policy for Life and Annuity Policies" addresses protection of Personal Information relating to life and annuity policies; the second, "Health Information Privacy Policy for Health Insurance Insolvencies" addresses protection of Personal Information relating to health insurance policies. In insolvencies where there are all three types of business, the policies shall apply according to type of policy.

Privacy Policy for Life and Annuity Policies

The terms of this Privacy Policy for Life and Annuity Policies will become effective for a given life or annuity company immediately upon the entry of a liquidation order with a finding of insolvency and will apply to the Personal Information of all individuals covered by the Association with life insurance policies or annuity contracts in that insolvency. Anyone who receives or creates Personal Information through or on behalf of the Association in connection with a potential life or annuity company insolvency (i.e., prior to the entry of a liquidation order) shall maintain such information as confidential.

Permitted Uses and Disclosures of Personal Information

An individual's Personal Information may only be disclosed in certain circumstances:

(1) to the affected individual;
(2) to agents of the Association for purposes of claims payment;
(3) to family, friends, attorneys, accountants, insurance agents or other third parties upon the affected individual's written consent;
(4) as required by law;
(5) under certain conditions, with respect to decedents

Personal Information will not be sold to anyone.

General Administration

Privacy Official

For each life or annuity company insurance insolvency, the Association will designate a privacy official to be responsible for implementing this Privacy Policy and to receive communications regarding requests for Private Information.

Training

Each person authorized to access, use or disclose Personal Information will become familiar with this Privacy Policy and understand his or her responsibilities prior to having any access to or use of Personal Information.

Safeguards

The Association will implement administrative, technical and physical safeguards for to protect Personal Information.

Third Party Administrators (TPAs) and other Agents of the Association

Any TPAs or agents who do business with or for the Association, shall have policies subject to review by the Association to protect the confidentiality of Personal Information, and only those agents who need the Personal Information to perform their business for the Association will be provided Personal Information.

Notice of Privacy Policy

Within a reasonable time after the Association becomes statutorily responsible for claims, the Association will give individuals covered by the Association notice of this Privacy Policy for Life and Annuity Polices.

Record of Disclosures

The Association will maintain a record of disclosures of Personal Information.

No Waiver Conditions

The Association will not require covered individuals to waive protections under this Privacy Policy for Life and Annuity Policies as a condition of payment of benefits.

No Retaliation

The Association will not intimidate, threaten, coerce, discriminate against, or take other retaliatory action against any individual for exercising protections under this Privacy Policy for Life and Annuity Policies; testifying, assisting or participating in a privacy-related investigation, compliance review, proceeding or hearing; or opposing any act or practice that the individual in good faith believes to be inconsistent with this Privacy Policy for Life and Annuity Policies.

Mitigation and Sanctions

To the extent practical, the Association will mitigate any harmful effects of unauthorized uses or disclosures of Personal Information and will subject any personnel who violate this Privacy Policy for Life and Annuity Policies to appropriate disciplinary action.

No Private Right of Action

Individuals with Personal Information subject to this Privacy Policy for Life and Annuity Policies have no contractual rights or any right of action on the part of an individual to enforce or seek relief under this Policy in any judicial or other proceeding.

Changes; Interpretation

The Association reserves the right to modify the terms of this Privacy Policy for Life and Annuity Policies, and the privacy official will have final authority to interpret and apply its terms.

Questions and Complaints

The privacy official will receive and respond to questions and complaints about this Privacy Policy for Life and Annuity Policies.

Texas Life, Accident, Health, and Hospital Service Insurance Guaranty Association

Health Information Privacy Policy
for
Health Insurance Insolvencies

POLICY STATEMENT

I. Introduction

Purpose and Overview

The *Association* has voluntarily adopted this **Health Information Privacy Policy** (the "Privacy Policy" or "Policy") as a good practice to safeguard *protected health information (PHI)* in *health insurance insolvencies*.[*] This Privacy Policy consists of (i) this Policy Statement; (ii) Implementation Procedures (the "Procedures") that serves as a guide for implementing this Policy; (iii) a glossary of defined terms used in the Policy (the "Glossary"), and (iv) Operational Forms used to implement the Policy (the "Forms").

Application

This Policy Statement applies to the Association and its representatives as it carries out its statutory obligations in all *health insurance insolvencies*. When participating in a *multi-state health insolvency*, the *Association* will follow the health information privacy procedures adopted by the Members' Participation Council of the National Organization of Life and Health Insurance Guaranty Associations (the "MPC Privacy Procedures") to implement the terms of this Policy Statement. For all other *health insurance insolvencies*, the *Association* will implement this Policy Statement by following the Implementation Procedures included in this Privacy Policy.

Effectiveness

The terms of this Privacy Policy will become effective for a given *health insurance insolvency* immediately upon the entry of a liquidation order with a finding of insolvency in that case and will apply to the *PHI* of all individuals covered by the *Association* in that *health insurance insolvency*. Anyone who receives or creates *PHI* through or on behalf of the *Association* in connection with a potential *health insurance insolvency* (i.e., prior to the entry of a liquidation order) shall maintain such information as confidential.

II.   Permitted Uses and Disclosures of Health Information

An individual's *PHI* may only be disclosed in certain circumstances:

(1)   to the affected individual;
(2)   for purposes of treatment, claims *payment* or *health care operations*;
(3)   to family or friends with the affected individual's consent or in an emergency;
(4)   to authorized *business associates*;
(5)   as required by law;

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[*]   Bold, italicized terms used in this Privacy Policy have meanings given to them in the Glossary.

(6) for law enforcement purposes;
(7) for military, national security, and similar governmental functions;
(8) regarding victims of abuse, neglect or domestic violence;
(9) to avert serious threat to health or safety;
(10) for public health activities;
(11) for health oversight activities; and
(12) under certain conditions, with respect to decedents.

PHI may be so disclosed to third parties upon the written authorization of the affected individual. (This provision will be implemented pursuant to the MPC Privacy Procedures for *multi-state health insolvencies*; for all other *health insurance insolvencies* it will be implemented pursuant to the Implementation Procedures).

III. Requests from Covered Individuals

Covered individuals may request:

(1) an opportunity to review and receive copies of their *PHI*;
(2) the amendment of their *PHI*;
(3) an accounting of disclosures of their *PHI*;
(4) additional restrictions on the use and disclosure of their *PHI*; and
(5) the use of confidential or alternative means to communicate with them regarding their *PHI*.

(This provision will be implemented pursuant to the MPC Privacy Procedures for *multi-state health insolvencies*; for all other *health insurance insolvencies* it will be implemented pursuant to Section 3 of the Implementation Procedures).

IV. General Administration

Application Limited to Health Coverage

To the extent that the *Association* has coverage responsibilities for non-health lines of business (i.e., annuities and life insurance), this Privacy Policy will apply only to the health lines.

Privacy Official

For each *health insurance insolvency*, the *Association* will designate a *privacy official* to be responsible for implementing this Privacy Policy and to receive communications from covered individuals. (This provision will be implemented pursuant to the MPC Privacy Procedures for *multi-state health insolvencies*; for all other *health insurance insolvencies* it will be implemented pursuant to Section 4.A. and B. of the Statement of Procedures).

Training

Each person authorized to access, use or disclose *PHI* will become familiar with this Privacy Policy and understand his or her responsibilities prior to having any access to or use of *PHI*.

Safeguards

The *Association* will implement administrative, technical and physical safeguards for *PHI*. (This provision will be implemented pursuant to the MPC Privacy Procedures for *multi-state health insolvencies*; for all other *health insurance insolvencies* it will be implemented pursuant to Section 4.E. of the *Implementation Procedures*).

Business Associates

For any *business associate* of the *Association* that will receive *PHI* in a *health insurance insolvency,* the *Association* will arrange for the *business associate* to enter into an agreement to

comply with this Privacy Policy and the Procedures. (This provision will be implemented pursuant to the MPC Privacy Procedures for *multi-state health insolvencies*; for all other *health insurance insolvencies* it will be implemented pursuant to the Implementation Procedures).

Notice of Privacy Policy

Within a reasonable time after the *Association* becomes statutorily responsible for claims in a *health insurance insolvency*, the *Association* will give covered individuals notice of this Privacy Policy. (This provision will be implemented pursuant to the MPC Privacy Procedures for *multi-state health insolvencies*; for all other *health insurance insolvencies* it will be implemented pursuant to Section 4.G. of the Statement of Procedures).

Record of Disclosures

The *Association* will maintain a record of disclosures of *PHI.* (This provision will be implemented pursuant to the MPC Privacy Procedures for *multi-state health insolvencies*; for all other *health insurance insolvencies* it will be implemented pursuant to Section 4.H. of the Statement of Procedures).

No Waiver Conditions

The *Association* will not require covered individuals to waive protections under this Privacy Policy as a condition of treatment or *payment* of benefits.

No Retaliation

The *Association* will not intimidate, threaten, coerce, discriminate against, or take other retaliatory action against any individual for exercising protections under this Privacy Policy; testifying, assisting or participating in a privacy-related investigation, compliance review, proceeding or hearing; or opposing any act or practice that the individual in good faith believes to be inconsistent with this Privacy Policy.

Mitigation and Sanctions

To the extent practical, the *Association* will mitigate any harmful effects of unauthorized uses or disclosures of *PHI* and will subject any personnel who violate this Privacy Policy to appropriate disciplinary action.

No Private Right of Action

Individuals with *PHI* subject to this Privacy Policy may file complaints and appeals in accordance with this Privacy Policy, but this Privacy Policy does not create any contractual rights or any right of action on the part of an individual to enforce or seek relief under this Policy in any judicial or other proceeding.

Additional Requirements

The *Association* will also comply with any other applicable state law requirements affecting the use or disclosure of *PHI*.

Changes; Interpretation

The *Association* reserves the right to modify the terms of this Privacy Policy, and the *privacy official* will have final authority to interpret and apply its terms.

IV. Questions and Complaints

The ***privacy official*** will receive and respond to questions and complaints about this Privacy Policy. Individuals will not be penalized in any way for filing a complaint. (This provision will be implemented pursuant to the MPC Privacy Procedures for ***multi-state health insolvencies***; for all other ***health insurance insolvencies*** it will be implemented pursuant to Section 5 of the Implementation Procedures).