



NOTICE OF PRIVACY PRACTICES

This provides notice of the privacy practices and policies of Morrow Insurance Agency, Inc. These protections have been adopted to ensure that the information that we obtain and maintain for our clients and customers, which may also include information about the employees, dependents, former employees and dependents, and other eligible participants on a group health plan for which we are providing services (“Protected Parties”), is protected in accordance with relevant state and federal rules. The Notice outlines our practices, policies, and legal duties to maintain and protect against prohibited disclosure of personally-identifiable financial information (as required by the federal Gramm-Leach-Bliley Financial Modernization Act (“GLB Act”), and the various state laws implementing those requirements), Protected Health Information of those Protected Parties (under the privacy regulations mandated by the Health Insurance Portability and Accountability Act and further expanded by the Health Information Technology for Economic and Clinical Health Act provisions in Title XIII of the American Recovery and Reinvestment Act (“HITECH”) and the regulations related to these laws and mandates), and the protection of personally-identifiable information under 45 CFR § 155.260 (collectively referred herein as “Privacy Rules”).

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT A PROTECTED PARTY MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

PROTECTING THE PRIVACY AND SECURITY OF INFORMATION WE ARE ENTRUSTED WITH IS VERY IMPORTANT TO US.

1. **Statement of Our Duties.** We are required by law to maintain the privacy of non-public personal information (“NPPI”), protected health information (“PHI”), and personally-identifiable information (“PII”) (collectively referred herein as “Protected Information”) of Protected Parties and to provide our clients with this notice of our privacy practices and legal duties. We are required to abide by the terms of this notice. We reserve the right to change the terms of this notice and to adopt any new provisions regarding the Protected Information that we maintain about the Protected Parties. If we revise this notice, we will provide each client or customer with whom there is a current and direct business relationship with a revised notice by mail, email (or any other electronic means), fax, or hand-delivery.

2. **Statement of the Client’s Rights under Privacy Rules.** As a client or potential customer, you have a right to know how we may use or disclose the Protected Information we maintain on those Protected Parties with whom there is a direct relationship. When our client is an employer sponsoring a group health plan, our duty to protect information is to the client and not to their employees, dependents, former employees or dependents or other eligible participants on the group health plan. Our obligations to not disclose Protected Information we maintain about those individuals may arise due to our contractual obligations as a Business Associate of our client, as well as to any other third party who is a Covered Entity under the Privacy Rules, but does not create a special legal duty to provide notice to those individuals of their rights through a Notice of Privacy Practices. When our client is an individual or family purchasing an insurance policy, then our duty is to those individuals.

Primary Uses and Disclosures of Protected Information. We use and disclose Protected Information about Protected Parties for payment and health care operations. Privacy Rules does not generally “preempt” (or take precedence over) state privacy or other applicable laws that provide individuals greater privacy protections. As a result, to the extent state law applies, the privacy laws of a particular state, or other federal laws, rather than the Privacy Rules, might impose a privacy standard under which we will be required to operate. For example, where such laws have been enacted, we will follow more stringent state privacy laws that relate to uses and disclosures of the Protected Information concerning HIV or AIDS, mental health, substance abuse/chemical dependency, genetic testing, and reproductive rights.

In addition to these legal requirements, we also may use or disclose Protected Information in the following situations:

Payment: We might use and disclose your Protected Information for all activities that are included within the definition of “payment” within the Privacy Rules. For example, we might use and disclose a Protected Party’s Protected Information to assist with the payment of claims for services provided to that Protected Party by doctors,

hospitals, pharmacies and others for services that are covered by a group health plan. We might also use your information to determine your eligibility for benefits, to coordinate benefits, to examine medical necessity, to obtain premiums, and to issue explanations of benefits to the person who subscribes to the health plan in which you participate.

Health Care Operations: We might use and disclose a Protected Party’s Protected Information for all activities that are included within the definition of “health care operations” within the Privacy Rules. For example, we might use and disclose the Protected Information of a Protected Party to an insurer to determine the premiums for your health plan, to conduct quality assessment and improvement activities, to engage in care coordination or case management, and to manage our business.

Business Associate Subcontractors: In connection with our payment and health care operations activities, we contract with individuals and entities (called “subcontractors”) to perform various functions on our behalf or to provide certain types of services. To perform these functions or to provide the services, our subcontractors will receive, have access to, create, maintain, use, or disclose Protected Information, but only after we require the subcontractor to agree in writing to contract terms designed to appropriately safeguard your information.

Other Covered Entities: In addition, we might use or disclose your Protected Information to assist health care providers in connection with their treatment or payment activities, or to assist other covered entities in connection with certain of their health care operations. For example, we might disclose a Protected Party’s Protected Information to a health care provider when needed by the provider to render treatment to that party, and we might disclose Protected Information to another covered entity or subcontractor to conduct health care operations related to billing, claims payment or enrollment.

For all other uses and disclosures, we first must obtain your permission.

In addition, you have the following rights:

- The right to request that we place additional restrictions on our uses and disclosures of the Protected Information of Protected Parties. However, we are not obligated to agree to impose any such additional restrictions.
- The right to access, inspect, and copy the protected information pertaining to Protected Parties that we maintain in our files, and the right to have us correct or amend any information that we create in error. Requests to access or amend your health information should be sent to the contact person and address provided below.
- The right to receive an accounting of the disclosures of the Protected Information we maintain on Protected Parties that we

make for purposes other than activities related to payment functions or other health care operations.

- The right to request that communications containing a protected party's Protected Information are sent in a confidential manner.
- If you received this notice electronically, you also have the right to obtain a paper copy of this notice from us on request.

3. Information We Collect About You. We collect the following categories of information for group and/or individual policies from the following sources:

- a) Information that we obtain directly from you, in conversations or on applications or other forms that you or a Protected Party completes.
- b) Information regarding current or prospective plan participants we obtain about them on applications or other forms.
- c) Information about the plan's transactions with our affiliates, others or us.
- d) Information that we obtain as a result of our transactions with you.

4. Permissible Uses and Disclosures of Protected Information. We disclose the information we receive regarding current or prospective clients only in accordance with the terms and conditions of the various Business Associate contracts we have entered to with Covered Entities under Privacy Rules and as permitted under state and federal laws concerning the privacy of your insurance and financial information. Those include:

- Situations Permitted or Required by Law. We also may use or disclose your Protected Information without your written permission for other purposes permitted or required by law, including, but not limited to the following:
 - a) As authorized by and to the extent necessary to comply with workers' compensation or other no-fault laws;
 - b) To an oversight or insurance regulatory agency for activities including audits or civil, criminal or administrative actions;
 - c) To a public health authority for purposes of public health activities (such as to the Federal Food and Drug Administration to report consumer product defects);
 - d) To a law enforcement official for law enforcement purposes or in response to a court order or in the course of any judicial or administrative proceeding;
 - e) To organ procurement organizations or other entities for approved research; or
 - f) To a governmental authority, including a social service or protective services agency, authorized to receive reports of abuse, neglect or domestic violence.
- For any Purposes to Which you have Not Objected. In certain limited circumstances, we may use or disclose your Protected Information after we have given you an opportunity to object and you have not objected. For example, if you do not object, we may use limited information about you to maintain an office directory, to notify family members or any other person identified by you regarding issues directly related to such person's involvement with your care or payment for that care, or in emergency circumstances.
- For Purposes for Which We Have Obtained your Written Permission. All other uses or disclosures of your Protected

Information will be made only with your written permission, and you may revoke any permission that you give us at any time.

5. Complaints About Misuse of Health Information. You may complain either directly to us or to the Secretary of Health and Human Services if you believe that your rights with respect to our protection of your health information have been violated. To file a complaint with us, you may send a written statement outlining your complaint, the facts and circumstances surrounding your complaint, including the names, dates and as many details as possible. You will not be retaliated against in any way for filing a complaint.

6. Our Practices Regarding Confidentiality and Security. We restrict access to Protected Information about you to those employees and its subcontractors who need to know that information in order to provide products and services to you. We maintain physical, electronic and procedural safeguards that comply with state & federal regulations to guard your Protected Information.

7. Our Duties. We are required by law to maintain the privacy of Protected Information and to provide individuals with notice of its legal duties and privacy practices with respect to Protected Information. If unsecured Protected Information is acquired, used or disclosed in a manner that is not permitted under the Privacy Rules that compromises the security or privacy of that Protected Information, (referred to as a "Breach"), We are required to provide appropriate Notice as defined by law without unreasonable delay and in no case later than 60 days after the discovery of the Breach or the receipt of information of the Breach. We may delegate this duty to a subcontractor. We are required to abide by the terms of the Notice that is currently in effect. We will provide a paper copy of this Notice to you upon your request.

8. Our Policy Regarding Dispute Resolution. Any controversy or claim arising out of or relating to our privacy policy, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

9. Revisions to this Notice. We reserve the right to change the terms of this Notice and to make the new Notice provisions effective for all Protected Information we maintain, regardless of whether the Protected Information was created or received prior to issuing the revised Notice. Whenever there is a material change to our use and disclosure of Protected Information, individual rights, our duties, or other privacy practices stated in this Notice, we will promptly revise and distribute the new Notice.

Contact Person for Filing Complaint or Obtaining Other Information. If you believe your privacy rights have been violated, you may file a written complaint with our Privacy Officer at the following address:

James R. Rasmussen
Chief Executive Officer
Morrow Insurance Agency, Inc.
800 Beverly Hanks Centre
Hendersonville, NC 28792
(828) 693-5396
jras mussen@morrowinsurance.com