

SAFEGUARD HEALTH ENTERPRISES, INC. AND SUBSIDIARIES PRIVACY POLICY NOTICE

THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT THE PRIVACY PRACTICES OF SAFEGUARD HEALTH ENTERPRISES, INC. AND ITS SUBSIDIARIES. PLEASE REVIEW IT CAREFULLY. THIS NOTICE IS FOR INFORMATION ONLY. NO RESPONSE IS REQUIRED.

I. What is this Notice?

To effectively administer our health benefits plans, SafeGuard must collect and disclose nonpublic personal information. We consider this information private and confidential and have policies and procedures in place to protect the information against unlawful use and disclosure. This Notice describes what types of information we collect, explains when and to whom we may disclose it, and provides you with additional important information. If you have questions about this notice, please call the toll-free SafeGuard Member Services telephone number on your SafeGuard Identification Card for assistance.

II. What is “nonpublic personal information”?

Nonpublic personal information (“NPI”) is information that identifies an individual enrolled in a SafeGuard dental plan and relates to the person’s participation in the plan, the provision of dental care to that person, or payment for the provision of dental care to that person. NPI does not include any publicly available information, or information that is available or reported in a summarized or aggregate fashion but does not identify any individual person.

III. What types of personal information does SafeGuard collect?

Similar to other dental benefits companies, we collect the following types of information about you and your dependents:

- Information we receive directly or indirectly from you or your employer or benefits plan sponsor through applications, surveys, or other forms, in writing, in person, by telephone, or electronically (e.g., name, address, social security number, date of birth, marital status, dependent information, employment information, medical history.)
- Information about your relationship and transactions with us, our affiliates, our agents, and others (e.g., health care claims and encounters, dental history, eligibility information, payment information, and service request, appeal and grievance information.)

IV. How does SafeGuard protect this information?

At SafeGuard, we restrict access to NPI to those employees who need it to provide products or services to you and your dependents. We maintain physical, electronic and procedural policies to protect NPI against unauthorized access and use. For example, access to our facilities is

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limited to authorized personnel only and we protect information we maintain electronically through use of a variety of technical tools. We also have established a Privacy Officer, which has overall responsibility for developing, educating company personnel about, and overseeing the implementation and enforcement of policies and procedures to protect NPI against inappropriate access, use and disclosure, consistent with applicable law.

V. What personal information do SafeGuard and other health plans use or disclose to third parties, and for what purposes?

We do not disclose NPI to anyone, except with member consent (see Section VII of this Notice) or otherwise as permitted by law. As described in more detail below, when necessary for a member's care or treatment, the operation of our dental plans, or other related activities, we use NPI internally, share it with our affiliates, and disclose it to dental care providers, other insurers, third party administrators, vendors, consultants, government authorities, and their respective agents. These parties are required to keep NPI confidential as provided by applicable law. Here are some examples of what we do with the information we collect and the reasons it might be disclosed to third parties:

- Administration of dental policies or contracts, which where applicable may involve claims payment and management; utilization review and management; dental necessity review; coordination of care, benefits, and other services; response to member inquiries or requests for services; building awareness about our products and programs; conduct of grievance, appeals, and external review programs; benefits and program analysis and reporting; fulfillment; risk management; detection and investigation of fraud and other unlawful conduct; auditing; underwriting and ratemaking; administration of reinsurance and excess or stop loss insurance policies and coordination with reinsurance and excess or stop loss insurers; responding to governmental inquiries, and other activities described below.
- Quality assessment and improvement activities, such as peer review and credentialing of participating network/preferred providers; program development; and accreditation, where applicable.
- Performing mandatory licensing, regulatory compliance/reporting, and public health activities; responding to requests for information from regulatory authorities, responding to government agency or court subpoenas as required by law, reporting suspected or actual fraud or other criminal activity; conducting litigation, arbitration, or similar dispute resolution proceedings; and performing third-party liability, subrogation, and related activities.
- Transitioning of policies or contracts from and to other insurers, HMOs, or third party administrators; and facilitation of due diligence activities in connection with the purchase, sale or transfer of health benefit plans.

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In addition, we may disclose NPI to affiliated entities or nonaffiliated third parties as otherwise permitted by law. For other purposes, we seek special consents before disclosing the information. In the event that a special consent is required but the member in question is unable to give the consent (for example, if the member is medically unable to give consent), we accept consent from any person legally authorized to give consent on behalf of the member.

VI. What does a person need to do to request other disclosures of personal information?

Many members ask us to disclose NPI to third parties or for reasons not described in Section V above. For example, an elderly member may want us to make his or her records available to a neighbor who is helping the member resolve a question about a claim. To request any disclosure of your personal health information in addition to what is described in Section V above, please call the toll-free SafeGuard Member Services telephone number on your Identification Card to ask for the necessary authorization form and send the form to us at the following address:

SafeGuard Law Department
95 Enterprise, Suite 100
Aliso Viejo, CA 92656

To revoke any consent that you previously gave, send a letter to us at the same address, informing us that you would like to revoke your consent. Please provide your name, address, member identification number, Social Security number, and a telephone number where we can reach you in case we need to contact you about your request. If you want to access information about yourself, you should go to the provider that generated the original records, which are more complete than any we maintain. SafeGuard's participating network/preferred providers are required to give members access to their dental records. We do not typically have custody or control of these dental records. Where required by law, we will permit you to obtain documents reflecting information we receive from your providers of dental care when they submit claims or encounters to us for payment. In these cases, we may charge you an administrative fee to help defray our costs. In all other cases, we will refer you to the applicable providers. To find out whether you can access claims/encounter information we maintain concerning you and your dependents, and if so how, please call the toll-free SafeGuard Member Services telephone number on your Identification Card.

If you believe the information in your dental records is wrong or incomplete, contact your provider of dental care who was responsible for the service or treatment in question. Where required by law, or if we are the source of a confirmed error, we will correct or amend the records we maintain (but not the records maintained by your provider or other third parties).

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VII. What does SafeGuard do with personal information about members who are no longer enrolled in a SafeGuard plan?

SafeGuard does not destroy NPI when individuals terminate their coverage with us. The information is necessary and used for many of the purposes described in Section V above, even after an individual leaves a plan, and in many cases is subject to legal retention requirements. However, the policies and procedures that protect that information against inappropriate use and disclosure apply regardless of the status of any individual member.

VIII. How is this Notice distributed?

We plan to send this notice to our Group Contract Holders and Individual Plan subscribers upon enrollment in any of our plans (or when we receive their first claim, if we do not know their identity upon enrollment), when our confidentiality practices are materially changed, and at other times as required by law. *We reserve the right to change the terms of this notice and to make the provisions of the new notice effective for all NPI we maintain.* Updates of this notice are distributed to employers who sponsor our plans, can be requested by calling the toll-free SafeGuard Member Services telephone number on your Identification Card, and also are available on our website, at www.safeguard.net. A short version of this notice is included in many of our general marketing communications.

IX. What should a person do if he or she believes this policy has been violated?

If you believe SafeGuard's privacy policy described in this Notice has been violated with respect to information about you or your dependents, please follow the grievance procedures described in your plan documents or on our website at www.safeguard.net, or call the toll-free SafeGuard Member Services telephone number on your Identification Card.

Coverage may be underwritten or administered by one or more of the following companies of SafeGuard Health Enterprises, Inc., SafeGuard Health Plans, Inc., and SafeHealth Life Insurance Company.