

HEALTHMARKETS, INC.

NOTICE OF FINANCIAL PRIVACY PRACTICES

We know that the privacy of your personal information is important to you. That's why the HealthMarkets, Inc. Family of Companies (also referred to as the "HealthMarkets Companies" "we," "our" or "us" throughout this notice) wants you to know how we protect your privacy and the measures we take to safeguard your information. We understand the importance of protecting the confidentiality and security of nonpublic personal information about you that we may obtain during the course of the application process and/or during the course of our relationship as insurer and insured. We have a long history of protecting our customers' privacy.

In order to provide you with insurance products of the highest quality and with the service you deserve, it may be necessary for us, from time to time, to collect nonpublic personal and financial information about you (the "Information") and, in certain situations, to share that Information with others. The following notice describes our policies and practices with regard to your Information.

HOW WE PROTECT YOUR INFORMATION

We maintain physical, electronic and procedural safeguards to protect the Information against unauthorized access and use. We restrict access to the Information to those employees who need access to the Information to provide products and services to you and your dependents. The personnel who have access to this Information are trained in the proper handling of the Information. Employees who violate this strict level of confidentiality are

CATEGORIES OF INFORMATION THAT WE COLLECT

In the normal course of business we may collect the following types of Information:

- Information you provide on applications and other forms (including name, address, income and household information).
- Data about your transactions with us (such as type of products you have purchased and your account status).
- Information gathered on our websites through online forms, site visit data and online information collecting devices known as "cookies".
- Information available from external sources (such as publicly available records).
- Information collected with your authorization from consumer credit reports (such as credit relationships and

HOW WE USE YOUR INFORMATION

We may share your Information within the HealthMarkets Companies or with non-affiliated companies as

- We may share your Information among HealthMarkets Companies as permitted by law, including for routine business administration.
- We may share your Information with non-affiliated companies as allowed by law, such as firms that perform services on our behalf, including the administration and marketing of our products. We require these companies to meet strict privacy standards.
- We may disclose your Information to non-affiliated entities when required by law, such as to respond to a subpoena, to prevent fraud or to comply with an inquiry by a government agency.

ACCURACY OF YOUR INFORMATION

We strive to maintain the accuracy of Information that is in our possession about you. In order to help us maintain accuracy, you have the right to reasonably access your Information. If you believe any Information in our possession is inaccurate, a request can be made to amend or delete the Information that you believe to be erroneous. If we concur with the request, we will amend or delete the Information in question. You may write our Privacy Office at the address below to receive our complete policy on accessing and amending the Information.

CHANGES TO THIS NOTICE

We reserve the right to change this Notice. We reserve the right to make the revised Notice effective for the Information we already have about you as well as any Information we receive in the future. If we make any material changes to our policies or practices, we will provide you with a copy of a revised Notice. We will post a copy of the current Notice on our website at www.megainsurance.com. Notice will contain on the first page, in the top right-hand corner, the effective date.

For purposes of this Notice, the HealthMarkets Companies currently includes the following affiliates:

**THE MEGA LIFE AND HEALTH INSURANCE COMPANY
MID-WEST NATIONAL LIFE INSURANCE COMPANY OF TENNESSEE
THE CHESAPEAKE LIFE INSURANCE COMPANY**

You may contact our Privacy Office at:

Privacy Office
HealthMarkets / Administrative Services Group
P.O. Box 982010
North Richland Hills, Texas 76182-8010