

**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.**

This Notice will become effective on April 14, 2004

This Notice of Privacy Practices from National Life Insurance Company (NLIC) relates to the health information we have about you as a result of your purchase of the Accelerated Care Rider (otherwise known as the Advanced Benefits Rider in Kansas and Oregon) and/or the Chronic Care Protection Rider. This information is called "Protected Health Information" or "PHI", and it includes individually identifiable information that relates to your past, present or future physical condition and related health care services. This notice describes how we protect the privacy of your PHI, explains how we may use and disclose PHI, and also describes your rights with respect to your PHI and how you can exercise those rights.

We are required to provide this notice of our legal duties and privacy practices with respect to your PHI by the Health Insurance Portability and Accountability Act (HIPAA). We are also required to maintain the privacy of your PHI, and follow the terms of this notice.

We reserve the right to change the terms of this Notice at any time and to make the revised or change Notice effective for PHI we already have about you, as well as PHI we receive in the future. If the terms of this Notice materially change, you will receive a copy of the revised Notice from NLIC.

USE AND DISCLOSURE OF YOUR PHI. NLIC takes steps to protect your PHI from inappropriate use or disclosure. NLIC employees are required to comply with these privacy practices. They may look at your PHI only when there is an appropriate or legal reason to do so.

Your Authorization. Except as described in this Notice, NLIC will not disclose your personal health information without your written authorization. You may revoke your authorization in writing at any time. If you revoke your authorization, NLIC will no longer use or disclose your health information for the reasons covered by your written authorization, except to the extent that NLIC has taken action in reliance on the authorization.

Uses and Disclosure for Payment. NLIC may use and disclose your personal health information as necessary for payment purposes. For example, NLIC may use or disclose your health information to determine eligibility for benefits, to obtain premiums, or to process and pay claims.

Disclosures to Business Associates. At times it may be necessary for NLIC to disclose your health information to outside persons or organizations that we contract with to assist with certain services. Each Business Associate of NLIC must agree in writing to ensure the continuing confidentiality and security of your health information.

OTHER USES AND DISCLOSURES. NLIC may also use and disclose your PHI without authorization as follows:

- as required by law;
- for public health activities;
- about victims of abuse, neglect or domestic violence;
- for health oversight activities;
- for judicial and administrative proceedings;
- about decedents in limited circumstances, after your death;
- for cadaveric organ, eye or tissue donation purposes;
- for research purposes;
- to avert a serious threat to health or safety;
- for specialized government functions;
- for law enforcement purposes.

YOUR RIGHTS

Right to Request Confidential Communications. You have the right to make a reasonable request to receive communication of PHI confidentially, by alternative means or at alternative locations.

Right to Inspect and Copy. You have the right to inspect and/or copy health information about you that may be used to make decisions about your plan benefits.

Right to Paper Copy. You have the right to receive a paper copy of this Notice of Privacy Practices at any time. You may also obtain a copy of this Notice on NLIC's website at www.nationallife.com.

Right to Accounting Disclosures. You have the right to receive a list of "accounting disclosures" in which we disclose your protected health information for purposes other than treatment, payment, health care operations and certain other activities. Your request should specify a time period of up to six years and may not include dates before April 14, 2004.

Right to Request Amendments. You have the right to request that NLIC amend your health information that you believe is incorrect or incomplete. We may deny your request if it is not in writing or does not include a reason that supports the request. Your request may also be denied if you ask NLIC to amend PHI that:

- is correct and complete;
- is not part of the PHI kept by or for us;
- was not created by us;
- is not part of the PHI which you would be permitted to see and copy.

Right to Request Restrictions. You have the right to request restrictions on certain uses and disclosures of your health information. NLIC is not required to agree to the restrictions that you request. However, NLIC must adhere to any restrictions to which it agrees to make.

Exercising Your Rights. If you want to exercise any of the rights described in this Notice, please submit a written request to the Contact Office (below). NLIC will provide you with the necessary information and forms for you to complete and return. In some cases, NLIC may charge you a nominal, cost-based fee to carry out your request.

COMPLAINTS. If you believe your privacy rights have been violated by NLIC, you have the right to complain to NLIC or to the Secretary of the U.S. Department of Health and Human Services in Washington, D.C. NLIC will not retaliate against you if you choose to file a complaint.

CONTACT OFFICE. To request additional copies of this Notice or your rights, please contact:

HIPAA Compliance Contact
National Life Insurance Company
One National Life Drive
Montpelier VT 05604
Telephone: (802) 229-3112
Email: HIPAACompliance@nationallife.com