APPENDIX A

PRIVACY & SECURITY
OF COVERED ENTITY MEMBER AND POLICYHOLDER
HEALTH & FINANCIAL INFORMATION

This Appendix supplements and is part of the EmblemHealth Selling Agent Agreement, General Agent Agreement and/or Managing Administrator Agreement and any amendments thereto (collectively, the "Agreement") between Selling Agent, General Agent or Managing Administrator, as applicable, (hereinafter "Business Associate") and EmblemHealth Services Company LLC., on behalf of its licensed healthcare affiliates and their subsidiaries which include, but are not limited to, Group Health Incorporated, Health Insurance Plan of Greater New York and HIP Insurance Company of New York (hereinafter collectively "Covered Entity"), as set forth below. This Appendix is necessary and/or appropriate to facilitate compliance by the parties to the Agreement (hereinafter "Parties") with 45 C.F.R. Parts 160 and 164 (the "HIPAA Regulations"), the Health Information Technology for Electronic and Clinical Health Act and the regulations promulgated thereunder ("HITECH") provisions of the American Recovery and Reinvestment Act of 2009 and other applicable laws and regulations.

I. DEFINITIONS

Except as otherwise defined herein, any and all capitalized terms in this Appendix shall have the definitions set forth in the HIPAA Regulations or in HITECH.

II. CONFIDENTIALITY REQUIREMENTS

(A) Business Associate agrees:

(i) to use or disclose Protected Health Information solely:

(1) as necessary to carry out Business Associate's responsibilities and duties under the Agreement; and

(2) As required by Law;

(ii) at termination of this Appendix, the Agreement or the business relationship of the Parties, or upon request of Covered Entity, whichever occurs first, if feasible, Business Associate shall promptly return or destroy all Protected Health Information received from or created or received by Business Associate on behalf of Covered Entity that Business Associate still maintains in any form and retain no copies of such information, or if such return or destruction is not feasible, Business Associate shall extend the protections of this Appendix to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information not feasible; and

(iii) To ensure that any and all its agents, including subcontractors, to whom it provides Protected Health Information received from or created by Business Associate on behalf of Covered Entity, agrees in writing to the same restrictions and conditions that apply to Business Associate with respect to such information. In addition, Business Associate agrees to take reasonable steps to ensure that the

actions and omissions of its employees', agents and subcontractors do not cause Business Associate to breach the terms of this Appendix.

(iv) Business Associate represents and warrants that Emblem's data shall not be processed, stored, used or accessed in any way by a subsidiary or affiliate or subcontractor or a system that can be considered "offshore." The term "offshore" refers to any country that is not one of the fifty United States or one of the United States Territories (American Samoa, Guam, Northern Marianas, Puerto Rico, and Virgin Islands). Examples of countries that meet the definition of "offshore" include Mexico, Canada, India, Germany, and Japan. Subsidiaries or affiliates or subcontractors that are considered offshore entities can be either American-owned companies with certain portions of their operations performed outside of the United States or foreign-owned companies with their operations performed outside of the United States. Offshore entities provide services that are performed by workers located in offshore countries, regardless of whether the workers are employees of American or foreign companies.

(B) Notwithstanding the prohibitions set forth in this Amendment, Business Associate may use and disclose Protected Health Information as follows:

(i) as necessary for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that as to any such disclosure:

1. the disclosure is required by Law; or

2. the Business Associate shall take reasonable steps to ensure that the person to whom the information is disclosed shall maintain the confidentiality of the information and shall use or further disclose it only as Required by Law or for the purpose for which it was disclosed to the person, and that the person promptly notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(C) Business Associate shall employ appropriate administrative, technical and physical safeguards, consistent with the size and complexity of Business Associate's operations, to prevent use or disclosure of Protected Health Information in any manner inconsistent with this Amendment. Business Associate shall maintain a written security program describing such safeguards, a copy of which shall be available to Covered Entity upon request. Business Associate shall also make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity available to the United States Department of Health and Human Services in accordance with the HIPAA Regulations.

(D) Without limiting the generality of Section II.C hereof, Business Associate shall comply with 45 C.F.R. Sections 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards), and 164.316 (policies and procedures and documentation requirements) The additional requirements of HITECH that relate to privacy or security and that are made applicable with respect to covered entities shall also

be applicable to Business Associate and shall be and by this reference hereby are incorporated into this Business Associate Appendix.

(E) Any and all information received directly or indirectly from Covered Entity in a portable medium or device, including but not limited to tapes, CDs, DVDs and any other format, shall be encrypted by Business Associate at all times utilizing best security practice technology, which in no event shall be less stringent than those established by the Secretary under Section 13402 of HITECH, as may be amended, and by the regulations and guidance relating to security standards for PHI as may be promulgated from time to time. Such controls must be in accordance with security best practices, including but not limited to, physical and logical security controls, and shall apply to, among others, laptops, cell phones, tablets, personal digital assistants (PDA) and portable storage media devices.

(F) Business Associate shall promptly notify Covered Entity of any use or disclosure of Protected Health Information that is not compliance with the terms of this Appendix of which Business Associate becomes aware.

(G) In the event Business Associate experiences a cybersecurity event that requires Business Associate to give notice to the Superintendent of the New York State Department of Financial Services pursuant to 23 N.Y.C.R.R. 500.17, as amended or recodified from time to time, and that affects Protected Health Information received from or created by Business Associate on behalf of Covered Entity, Business Associate shall notify Covered Entity contemporaneously with notice to the Superintendent. Business Associate shall otherwise notify Covered Entity of a Breach of Unsecured Protected Health Information within five (5) business days of Business Associate's discovery of the Breach, unless Business Associate needs more time to investigate, in which case Business Associate shall have a total of, but in no event more than, thirty (30) days from Business Associate's discovery of the Breach to notify Covered Entity. Such notice shall provide, to the extent known at the time a Breach is discovered and ultimately thereafter the following:

1. brief description of what happened, including the date of the Breach and the date of discovery of the Breach, a description of the type of Unsecured Protected Health Information that was involved in the Breach, such as names, addresses, dates of birth, social security numbers, diagnoses or other clinical information ;

2. the total number of individuals and total number of individuals by state potentially impacted by the Breach and whose Unsecured Protected Health Information has been, or is reasonably believed by the Business Associate to have been accessed, acquired, used or disclosed during the Breach;

3. the name, address, date of birth, and identification number of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by the Business Associate to have been accessed, acquired, used or disclosed during the Breach;

4. any steps individuals should take to protect themselves resulting from the Breach;

5. a description of the investigation into the Breach; mitigation of harm to

individuals; and protection against further Breaches;

6. contact information of the individual from Business Associate's organization having the most knowledge of the Breach matter whom the Covered Entity can contact to discuss the facts surrounding the Breach; and.

7 any other available information as requested by Covered Entity in order to mitigate the effects of the Breach and to comply with state and federal privacy requirements.

8. in addition, Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Appendix.

(H) Unless specifically agreed to otherwise in writing between the Parties, Business Associate shall not use Protected Health Information for data aggregation services. For purposes of this Appendix, data aggregation services means the combining of Protected Health Information by Business Associate with the protected health information received by Business Associate in its capacity as a business associate of another covered entity, to permit data analyses that relate to the health care operations of the respective covered entities.

(I) Unless specifically agreed to otherwise in writing between the Parties, Business Associate shall not de-identify Protected Health Information or use de-identified Protected Health Information for any purpose.

(J) Business Associate shall use and disclosure only the minimum necessary Protected Health Information to the extent required by the HIPAA Regulations, HITECH and any guidance issued by the Secretary thereunder.

III. AVAILABILITY OF PROTECTED HEALTH INFORMATION

(A) Within ten (10) days of a request by Covered Entity, Business Associate shall provide to Covered Entity all Protected Health Information in Business Associate's possession necessary for Covered Entity to provide individuals or their representatives with access to or copies thereof in accordance with 45 C.F.R. Section 164.524 and HITECH.

(B) Within ten (10) days of a request by Covered Entity, Business Associate shall provide to Covered Entity all Protected Health Information in Business Associate's possession necessary for Covered Entity to respond to a request by an individual to amend such Protected Health Information in accordance with 45 C.F.R. Section 164.526. At Covered Entity's direction, Business Associate shall incorporate any amendments to an individual's Protected Health Information made by Covered Entity into the copies of such information maintained by Business Associate.

(C) Within ten (10) days of a request by Covered Entity, Business Associate shall provide to Covered Entity all information and records in Business Associate's possession necessary for Covered Entity to provide individuals or their representatives with an accounting of disclosures thereof in accordance with 45 C.F.R. Section 164.528 and HITECH. On a

monthly basis (in a format to be supplied by Covered Entity), Business Associate shall provide Covered Entity with an accounting of disclosures which Covered Entity shall provide to Individual's upon their request.

(D) In the event Business Associate is not able to provide Covered Entity with the requested Information within the required timeframe, Business Associate shall notify Covered Entity as soon as it becomes aware of such delay so that Covered Entity may notify the Individual of the need for an extension.

IV. SECURITY STANDARDS

(A) Business Associate agrees to:

1) Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of Covered Entity;

(2) Ensure that any agent, including a subcontractor, to whom it provides electronic Protected Health Information, agrees to implement reasonable and appropriate safeguards to protect such electronic Protected Health Information;

(3) Promptly report to Covered Entity any security incident involving electronic Protected Health Information of which it becomes aware; and

(4) Comply with any other requirements that the Secretary of Health and Human Services may require from time to time with respect to electronic Protected Health Information by the issuance of additional guidance or regulations pursuant to HIPAA.

(B) Business Associate shall satisfy all applicable provisions of the HIPAA standards for electronic transactions and code sets, also know as the Electronic Data Interchange (EDI) Standards, codified at 45 C.F.R. Part 162. Business Associate further agrees to ensure that any agent, including a subcontractor, that conducts standard transactions, as such term is defined at 45 C.F.R. § 162.103, on its behalf will comply with the EDI standards.

(C) Business Associate also represents that it has and shall maintain throughout the term of this Appendix policies and procedures designed to detect, prevent, and mitigate the risk of identity theft to comply with the provisions, as applicable, of the Federal Trade Commission's Identity Theft Prevention Red Flags Rule (16 C.F.R. § 681.2).

(D) To the extent applicable, Business Associate shall comply with the New York State Department of Financial Services Cybersecurity Requirements for Financial Services Companies (23 N.Y.C.R.R. 500, et al.)

V. FINANCIAL INFORMATION

Business Associate acknowledges and agrees that it is required to comply with all applicable requirements of New York State Insurance Regulation 169 as well as the other terms of this Amendment in relation to the financial information of the Covered Entity's members and prospective members.

VI. TERMINATION

Notwithstanding anything in this Appendix to the contrary, Covered Entity shall have the right to immediately terminate this Amendment and the Agreement if Covered Entity reasonably determines that Business Associate has violated any material term of this Appendix. If Covered Entity reasonably believes that Business Associate will violate a material term of this Amendment and, where practicable, Covered Entity gives written notice to Business Associate of such belief within a reasonable time after forming such belief, and Business Associate fails to provide adequate written assurances to Covered Entity that it will not breach the cited term of this Appendix within a reasonable period of time given the specific circumstances, but in any event, before the threatened breach is to occur, then Covered Entity shall have the right to immediately terminate this Appendix and the Agreement.

VII. NOTICE

(A) Any notice or report given or required to be given to the Covered Entity pursuant to this Amendment by the Business Associate shall be given orally and in writing via regular mail to the telephone number and address set forth below. In the event that the oral notice is received by Covered Entity through an automated recording device, the oral notice must include the name and telephone number of the appropriate contact person of the Business Associate and the reason for the call.

Oral Notice to Covered Entity:	646-447-5203.
Written Notice to Covered Entity:	Corporate Compliance Department PO Box 2878, New York, NY 10116-2878

(B) Any notice given or required to be given to the Business Associate pursuant to this Appendix by the Covered Entity shall be in writing and shall be deemed to have been given when personally delivered, sent by facsimile transmission, or four days after the date when deposited in the United States mail and sent postage prepaid by registered or certified mail, return receipt requested, or private courier. Such notice shall be directed to the Business Associate at its address or facsimile number as it appears in the Covered Entity's records.

VIII. MISCELLANEOUS

(A) Except as expressly stated herein or the HIPAA Regulations, the parties to this Appendix do not intend to create any rights in any third parties. The obligations of Business Associate under this Section shall survive the expiration, termination, or cancellation of this Amendment, the Agreement and/or the business relationship of the parties, and shall

continue to bind Business Associate, its agents, employees, contractors, successors, and assigns as set forth herein.

(B) This Appendix shall not be assigned in whole or in part by any party without the prior written consent of the other parties which consent shall not be unreasonably withheld or delayed, except that any party may assign this Appendix, without the need to obtain prior written consent of the other parties, to an entity which shall acquire or succeed, by acquisition, merger or otherwise, the party's business or assets or otherwise becomes a successor in interest. None of the provisions of this Appendix are intended to create, nor will they be deemed to create any relationship between the Parties other than that of independent parties contracting with each other solely for the purposes of effecting the provisions of this Appendix and any other agreements between the Parties evidencing their business relationship. This Appendix will be governed by the laws of the State of New York. Failure or delay on the part of either Party to exercise any right, power, privilege or remedy hereunder shall not constitute a waiver thereof. No provision of this Appendix may be waived by either Party except by a writing signed by an authorized representative of the Party making the waiver.

(C) Business Associate agrees to indemnify, defend and hold harmless Covered Entity and its directors, officers, employees, agents and subsidiaries, from and against any costs, claims, demand, lawsuits , actions , causes of action, liabilities , penalties , losses and expenses (including reasonable counsel fees and breach notification expenses) arising from any violation of HITECH or ARRA and/or other applicable law, and/or any breach of unsecured protected health information and/or breach of personal information, by or caused by Business Associate and/or its employees, agents, representatives, subcontractors and/or independent contractors.

(D) The provisions of this Appendix are intended to establish the minimum requirements regarding Business Associate's use and disclosure of Protected Health Information. However, the parties agree that, in the event that any documentation of the Agreement pursuant to which Business Associate provides services to Covered Entity contains provisions relating to the use or disclosure of Protected Health Information which are more restrictive than the provisions of this Appendix, the provisions of the more restrictive documentation will control. The Business Associate also agrees that it will comply with applicable state and federal laws regarding the use and disclosure of Protected Health Information to the extent that such laws are not pre-empted by the HIPAA Regulations when using or disclosing Protected Health Information pursuant to this Appendix.

(E) In the event that any provision of this Appendix is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions of this Appendix will remain in full force and effect. The provisions of this Appendix supersede any provisions of the Agreement that may contradict or be in conflict with the provisions of this Appendix. In addition, in the event that the Covered Entity believes in good faith that any provision of this Appendix fails to comply with the then-current requirements of the HIPAA Regulations, the Covered Entity shall have the right to amend the terms of this Appendix as necessary or appropriate to bring it into compliance.

(F) This Appendix is intended to reflect the applicable requirements of the HIPAA Regulations, HITECH, New York State Insurance Regulation 169 and other applicable laws and regulations. In the event of an inconsistency between the definitions and terms

of this Appendix (other than the definition of "financial information" and Section V) and mandatory provisions of the HIPAA Regulations, as amended from time to time, the HIPAA Regulations shall control. Where provisions of this Appendix are different than those mandated in the HIPAA Regulations, but are nonetheless permitted by the HIPAA Regulations, the provisions of this Appendix shall control. In the event that Covered Entity believes in good faith that any provision of this Appendix fails to comply with the then-current requirements of the HIPAA Regulations, HITECH, ARRA and/or New York State Insurance Regulation 169 or other applicable laws or regulations as amended from time to time, Covered Entity shall have the right to unilaterally amend the terms of this Appendix as necessary and appropriate to bring it into compliance upon thirty (30) days advance written notice to Business Associate. Business Associate must accept and comply with any such new Business Associate Appendix or Business Associate Appendix or amendment terms as a material condition of its compliance with the terms of its Selling Agent Agreement and/or General Agent Agreement and/or Managing Administrator Agreement with Covered Entity.

(G) This Appendix, including the documents or instruments referred to herein, supersedes all prior or contemporaneous negotiations or agreements, whether oral or written, relating to the subject matter hereof.