

WILLIAMSBURG FIRST NATIONAL BANK BENEFIT PLAN

NOTICE OF PRIVACY PRACTICES

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.

The Williamsburg First National Bank Benefit Plan (the "Plan") is required by the Health Insurance Portability and Accountability Act ("HIPAA") to protect the privacy of your personal health information held by the Plan. The Plan provides health and/or dental benefits to you through one or more health care related benefit programs described in your summary plan description(s). The Plan is sponsored by Williamsburg First National Bank (the "Company").

The Plan receives and maintains your personal health information in the course of providing these benefits to you. The Plan hires business associates, such as Blue Cross Blue Shield of South Carolina and the South Carolina Bankers Employee Benefit Trust, to help it provide these benefits to you. These business associates also receive and maintain your personal health information in the course of assisting the Plan.

THE EFFECTIVE DATE OF THIS NOTICE IS APRIL 14, 2004. The Plan is required to follow the terms of this notice until it is replaced. The Plan reserves the right to change the terms of this notice at any time. If the Plan makes significant changes to this Notice, the Plan will revise it and send a new notice at that time. The Plan reserves the right to make the new changes apply to all your personal health information maintained by or for the Plan before and after the effective date of the new notice.

General Privacy Standard. Under HIPAA, the Plan and its business associates may use or give out ("disclose") your personal health information without your authorization (written permission) for the purposes described below unless there is a state or federal law that provides you with greater protection of your privacy rights than HIPAA. For example, state or federal law may require that the Plan take additional precautions before using or disclosing certain types of health information such as mental health records, alcohol or substance abuse records, or prescription information. State or federal law may also give you greater access to your personal health information than HIPAA.

The Plan will make every effort to comply with the requirements of the applicable state or federal law and HIPAA. This means that regardless of which law applies, your health information will be afforded the greatest level of privacy protection and you will be granted the most access to your health information.

Purposes for which the Plan May Use or Disclose Your Personal Health Information Without Your Permission or An Opportunity to Agree or Object. The Plan and its business associates may use or disclose your personal health information without your authorization or an opportunity to agree or object for the purposes described below. The Plan and its business associates have their own policies and procedures to ensure these uses or disclosures are limited to the minimum amount of your personal health information reasonably necessary to accomplish the described purpose.

- **Payment.** The Plan has the right to use and disclose your personal health information to make decisions about payment for your health care. “Payment” includes a variety of activities, including decisions about your eligibility or coverage; processing claims (including paying claims and seeking payment from other responsible third parties); reviewing medical necessity, coverage, appropriateness of care and support for charges; conducting utilization review (precertification, concurrent or retrospective reviews); and making limited disclosures to collection or credit reporting agencies concerning your payment of premiums. **Examples:** The Plan reviews and uses information about treatment you have received to determine whether that treatment is covered under a Benefit Program and whether to pay or deny a claim. The Plan also uses your personal health information to make decisions when you or your health care provider appeals the denial of a claim.
- **Health Care Operations.** The Plan has the right to use and disclose your personal health information to conduct its health care operations. “Health Care Operations” of the Plan include quality improvement activities, case management and care coordination and evaluating Plan performance. They also include accreditation, licensure or credentialing activities. The Plan also conducts activities related to creating, renewing or replacing Benefit Programs or contracts for those programs. The Plan performs or contracts for audit, fraud detection and compliance services. The Plan also does business planning and development for the Plan and its Benefit Programs (including developing or improving benefits, payment methods and coverage policies), along with general business management and administrative activities. The Plan may also use your personal health information to contact you about other health-related benefits and services offered by the Plan. **Examples:** The Plan may use or disclose your personal health information for the purpose of coordinating your care to reduce the cost of your care. The Plan may also use or disclose your personal health information when it is evaluating the financial performance of the Plan or any of its Benefit Programs, or deciding whether to offer or continue offering certain benefits.
- **To Business Associates.** The Plan may disclose your personal health information to those business associates with whom the Plan contracts to assist the Plan in performing the payment and health care operations activities of the Plan and its Benefit Programs such as Blue Cross Blue Shield of South Carolina and the South Carolina Bankers Employee Benefit Trust. Each business associate of the Plan must agree in writing to ensure the continuing privacy and security of your personal health information it creates, receives or uses. Certain business associates may have the only copies of your personal health information, and will assist the Plan in carrying out its responsibilities with regard to your rights to access and amend that information. These rights are described below.
- **To the Company as Plan Sponsor.**
 - The Plan may disclose to the Company as the Plan sponsor claims history and other similar information. This will be summary information that does not disclose your name or other distinguishing characteristics. The Plan may also disclose to the Company as Plan sponsor the fact that you are enrolled in, or disenrolled from the Plan or any of its Benefit Programs.
 - The Plan may disclose your personal health information to certain designated employees of the Company whose job responsibilities include assisting the Plan in performing payment and health care operations activities for the Plan and its Benefit

Programs. The Company has agreed to ensure the continuing privacy and security of your personal health information. The Company has also agreed not to routinely use or disclose your personal health information for employment-related activities or for the purpose of administering any other benefit plans that are exempt from the HIPAA privacy regulations.

- **Required by Law.** The Plan may use or disclose your personal health information to the extent required by law. These laws include any applicable federal, state or local laws that would require the Plan or its business associates to make a specific use or disclosure of your personal health information. The way these disclosures are made and the amount and type of personal health information disclosed will be limited to the legal requirement. In certain cases the Plan may be required to notify you that a disclosure has been or will be made.
- **Public Health and Health Oversight Activities.** The Plan may disclose your personal health information to public health authorities that are authorized by state, federal or local law to collect information for purposes such as preventing or controlling disease, injury or disability or notification of exposure to communicable diseases. The Plan may also disclose your personal health information to a federal, state or local agency required by law to oversee, license, inspect or investigate programs where health related information is collected or used.
- **Lawsuits or Similar Proceedings.** The Plan may disclose your personal health information in response to a court order or an administrative order. The Plan may also disclose your personal health information in response to a subpoena or other type of lawful request from an attorney involved in a lawsuit, or from a government agency or investigator involved in an administrative proceeding. In the case of a subpoena or other lawful request, the Plan is required to make sure you are aware of the request or obtain an assurance that your personal health information will be used appropriately.
- **Law Enforcement.** The Plan may disclose your relevant personal health information in response to a court ordered warrant, subpoena or summons; a grand jury subpoena; or a civil investigative demand made by an agency or officer for legitimate law enforcement inquiry.
- **Coroners and Medical Examiners.** The Plan may disclose your personal health information to a coroner or medical examiner for purposes of identifying a deceased person or determining the cause of death.
- **Organ, Eye or Tissue Donation.** The Plan may disclose your personal health information to facilitate organ, eye or tissue donation or transplantation as allowed by the state's organ procurement laws.
- **Threats to Public Health.** The Plan may be required to disclose limited personal health information to the extent the Plan in good faith determines such disclosure is necessary to prevent or lessen a serious and imminent threat to public health or safety, or to the health or safety of a specific individual.
- **Specialized Government Functions.** The Plan may be required to disclose your personal health information to the United States or a State government if you are an active or veteran member of the military, seeking a government security clearance or permission to travel

abroad, if you are in lawful custody, or if the government requires such information to conduct lawful national security activities.

- **Worker's Compensation.** The Plan may disclose your personal health information as authorized by the state's workers compensation laws.

Purposes for which the Plan Must Give You and Opportunity to Agree or Object to Use or Disclose Your Personal Health Information. The Plan may disclose personal health information related to payment for your health care under the Plan to your family members, other relatives or anyone else identified by you as involved in your care in the following circumstances:

- If you bring the individual with you to discuss an issue arising from payment for your health care under the Plan, unless you object or notify us otherwise at the time we may infer from their presence that you agree we may discuss your personal health information with that individual;
- If you are incapacitated or in a situation such as a medical emergency and cannot agree or object, we may disclose your personal health information to your personal representatives to assist them in obtaining payment for your health care; or
- If you sign an authorization specifically allowing the Plan to disclose your personal health information to such an individual.

Uses and Disclosures with Your Written Permission (Authorization). The Plan will not use or disclose your personal health information for any purposes other than those described above unless you give your written permission ("authorization") to do so, using a form approved or supplied by the Plan or its business associate. If you give a valid written authorization to use or disclose your personal health information then, in most cases, you may revoke it in writing at any time. Your revocation will be effective for all the personal health information the Plan and its business associates maintain, unless the information has already been disclosed in reliance on your prior written authorization. Except in limited eligibility and enrollment circumstances, your right to receive benefits under the Plan cannot be conditioned upon your signing an authorization allowing the Plan to use or disclose your personal health information in a manner not described in this Notice.

Your Rights. You may make a written request to the Plan to do one or more of the following concerning your personal health information that the Plan maintains:

- To put additional restrictions on the Plan's use and disclosure of your personal health information. The Plan does not have to agree to your request.
- To ask the Plan communicate with you in confidence about your personal health information by a different means or at a different location than the Plan is currently using. The Plan does not have to agree to your request unless necessary to avoid endangering you. Your request must specify the alternative means or location to communicate with you in confidence.
- To see and get copies of your personal health information that is created or maintained by the Plan or its business associates. In limited cases, the Plan does not have to agree to your request.

- To correct your personal health information that is created or maintained by the Plan. In some cases, the Plan does not have to agree to your request.
- To receive a list of disclosures of your personal health information that the Plan and its business associates made for the last 6 years (but not for disclosures made before April 14, 2004). The Plan is not required to list disclosures made for treatment, payment or health care operations, or disclosures made with your authorization.
- To send you a paper copy of this notice if you received this notice by e-mail or on the internet.

If you want to exercise any of these rights described in this Notice, please contact the designated Plan Contact at the address provided below. The Plan Contact will give you the necessary information and forms for you to complete and return. In some cases, the Plan may charge you a nominal, cost-based fee to carry out your request.

Complaints. If you believe your privacy rights have been violated by the Plan, you have the right to complain to the Plan or to the Secretary of the U.S. Department of Health and Human Services. You may file a complaint with the Plan Contact designated below, or ask for the address of the appropriate regional office of the Secretary of the USDHHS. Neither the Plan nor the Company will retaliate against you if you choose to file a complaint.

Contact Office. To request additional copies of this notice or to receive more information about our privacy practices or to exercise any of your rights, including your right to file a complaint, please contact us at the following Contact Office:

Contact Office: Privacy Officer
c/o South Carolina
Bankers Association

Telephone: 803-779-0850 Fax: 803-256-8150

E-mail: teresataylor@scbankers.org

Address: P.O. Box 1483 Columbia,
South Carolina 29202
