

A Consumer's Guide to MIB's Underwriting Services

With the help of MIB's Underwriting Services, member insurance companies can offer– and consumers can purchase – affordable life and health insurance protection.

This Consumer Guide is intended to explain MIB's role in the insurance industry to U.S. consumers. If you are a Canadian resident, refer to http://www.mib.com/webcontent/consumer_guide_french.pdf. Also, please visit our website at www.mib.com for additional information about MIB and its services.

What is MIB?

MIB, LLC ("MIB") operates as a "nationwide specialty consumer reporting agency" under the federal Fair Credit Reporting Act ("FCRA") because it provides consumer reports, but not credit reports, for the exclusive use of insurance companies which are members of MIB Group Holdings, Inc., a member-owned corporation that has operated on a not-for-profit basis for over a century. MIB, LLC is a wholly-owned subsidiary of MIB Group Holdings, Inc.

Who are members of MIB?

Members include insurance companies that issue life, health, disability income, long-term care and critical illness insurance, as well as any insurance companies that share financial risk with these companies as their reinsurers.

What does MIB do?

MIB maintains a database of confidential information that is used exclusively by its members in the underwriting process (as further described herein) when you apply for individually underwritten life, health, disability income, long-term care or critical illness insurance. MIB's business model is sometimes described as an "information exchange" because MIB's members contribute data to the MIB database (in a coded format) that may be useful to other members that later search the database with your authorization in conjunction with an application for insurance.



Why is MIB’s role important?

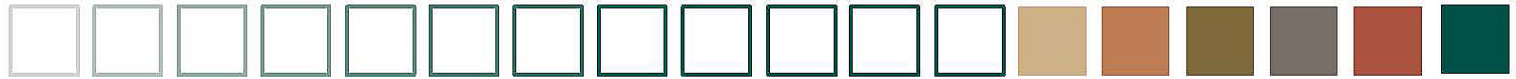
With the confidential information stored securely in the MIB database, MIB’s Underwriting Services provide an alert to the member company when you apply for individually underwritten insurance and either forget to answer a question on the application correctly or you knowingly omit information that may be relevant to members in their process for determining eligibility for insurance. By alerting its member companies to errors, omissions, misrepresentations or potential fraud in the application process, MIB helps its members place insurance applicants in the appropriate risk groups, which may keep insurance premiums low for other insurance-buying consumers.

In what type of regulatory environment does MIB provide its Underwriting Services?

MIB is subject to a complex web of federal, state, provincial and Canadian laws addressing the privacy of individually identifiable information (information that is associated within individuals) and imposing numerous consumer protections. In addition to FCRA, MIB is subject to certain privacy and security obligations under the Health Insurance Portability and Accountability Act (“HIPAA”) as a Business Associate of members providing health insurance and under the Personal Information Protection and Electronic Documents Act (“PIPEDA”) in Canada.

How do I know if MIB may be checked at the time of my insurance application?

If a member company wishes to determine if you have an MIB record, you will be provided with an MIB Pre-Notice that describes MIB’s role in the underwriting process. The MIB Pre-Notice notifies you that a report regarding your medical condition(s) and hazardous avocation(s) may be made to MIB and further, that if you later apply for life or health insurance (or file a claim for benefits) with an MIB member company, then MIB may supply such company with your MIB record (if one exists). When receiving this notice, you will be asked to sign an authorization allowing the MIB member company to search the MIB database for information about you (codes, as described below) and to report information to MIB as described in the Pre-Notice. Therefore, a member company cannot search MIB or report information to MIB without first providing you notice and obtaining your written authorization.

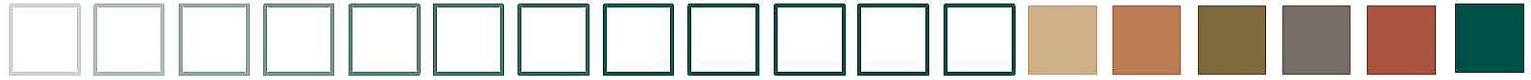


How do MIB's member insurance companies use your MIB record in the underwriting process?

MIB's Underwriting Services alert member companies to the fact that information was obtained and then reported by another member on a particular medical impairment or avocational risk significant to your mortality or morbidity. In other words, when authorized underwriting personnel at a member company search the MIB database, the results are compared to the information that you provided on your application for insurance. If you fully and accurately disclose all medical conditions and avocations on your application to an MIB member company, then the codes reported by MIB about you should not play a significant role in the underwriting of your application. Under those circumstances, the codes will be consistent with the medical conditions and avocations already disclosed on your application. The codes will not alert the underwriter to any new information. However, if the results of the MIB search alert the member company to information that was not provided on your application, then the underwriter may not make an adverse underwriting decision (a decision declining the application or charging a higher premium for coverage) without first conducting a further investigation to obtain more information about the reported medical histories or conditions and to assess the risk based on the information obtained from that investigation. No adverse underwriting decision can be made solely on the basis of the information in your MIB record.

What is in my MIB record?

After a member company underwrites your application for insurance, any conditions that have a significant impact on your mortality or morbidity are reported securely to MIB using codes that signify different medical conditions, hazardous avocations or adverse driving records. MIB's codes were created to protect the privacy of individuals in the MIB database and can be thought of as a simple form of encryption. These codes are based only on information that is collected by the member with your authorization during the course of underwriting your application. These codes do not indicate what action another member company took with respect to your application (approval, denial, approved with a substandard rating) or the amount of insurance that you applied for. In addition, MIB's codes do not provide enough detail for an underwriter to make a decision on whether to approve, deny or rate your application because they typically depict broad, general categories of medical histories or conditions. Actual medical records such as medical and paramedical reports, attending physician statements, lab test results, x-rays, and EKG's are not stored or maintained in MIB's database. In addition, MIB does not collect, maintain or store any information from your creditors about your payment history or credit worthiness. Also, MIB does not use any type of scoring system.



How long do MIB codes stay in my MIB record?

MIB removes information reported by member insurance companies from your MIB record after 7 years in order to comply with the prohibition in the FCRA against reporting obsolete information.

Does everyone have an MIB record?

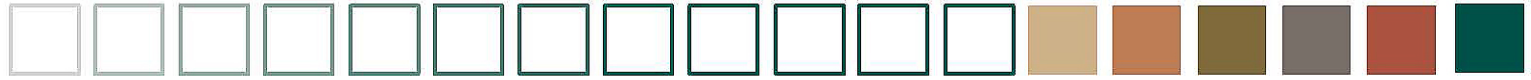
You will not have an MIB record unless you have applied for individually underwritten life, health, disability income, critical illness or long-term care insurance in the last 7 years with an MIB member company, and you have a condition or avocation that is considered significant to your health or longevity.

Who can obtain a copy of my MIB record?

MIB only releases your MIB record to an MIB member company (or service providers who are acting on the member’s behalf to participate in the underwriting process) when you have applied for insurance, received an MIB Pre-Notice, and you have signed an authorization where MIB is identified as an information source. MIB will also provide you with a free copy of your MIB Consumer File upon request (see below). Otherwise, MIB does not release your MIB record unless required or allowed by law. In addition, MIB does not sell any individually identifiable information (information that is associated with individuals) to any non-member third parties.

How can I find out if I have an MIB record?

In accordance with FCRA, you may request free disclosure of your Consumer File once annually. Only you can request an MIB Consumer File on yourself. You may do so by calling MIB’s toll-free telephone number 866-692-6901 or you may complete your request on-line at www.mib.com. You will be asked for some personal identifying information so that your MIB Consumer File can be located, if one exists. You will need to certify that the information you are providing is accurate, and that you are requesting disclosure of your own Consumer File. The personal identifying information that we collect is used only to locate your MIB Consumer File, and for no other purpose. We safeguard this information and keep it confidential. Please review MIB’s Consumer Privacy Policy for additional information (http://www.mib.com/privacy_policy.html). A response will be mailed to you within 15 days of receipt of adequate identifying information to perform a search of MIB’s database. If you would like to obtain a copy of your MIB Consumer File more than once per year, then you may do so for a nominal fee.



What if I have an “adverse action letter” from the insurance company?

If an insurance company advised you by letter that it has taken an unfavorable action on your insurance application (e.g., issuing a policy with an extra premium or declining to offer coverage) (“adverse action letter”) and the letter specifies that MIB was an informational source in the underwriting process, then you may request free disclosure of your MIB Consumer File (in addition to your free annual disclosure) by calling the toll-free number 866-692-6901 or you can print out a form from our website www.mib.com and send us a request for disclosure along with a copy of the adverse action letter. If you wish, you can also email us at infoline@mib.com to request the form. For U.S. Residents, send the information to:

MIB Disclosure Office 50 Braintree Hill Park, Suite 400
Braintree, MA 02184-8734

What information will be included in my MIB Consumer File (if one exists)?

Your MIB Consumer File will include medical and personal information, if any, that MIB may have in its database pertaining to you (i.e., translated codes) as well as the name(s) of the MIB member companies, if any, that reported information on you. Your MIB Consumer File will also include a list of member companies that have made an inquiry on you in the prior 24 months and a list of any member companies that received your MIB record in the prior 36 months.

What if I disagree with the information in my MIB Consumer File?

If you do not agree with the information in your MIB Consumer File, you should contact MIB and request a reinvestigation. If you wish, you can email us at infoline@mib.com to obtain the Request for Reinvestigation form in which you may indicate the specific information with which you disagree. MIB will then initiate a reinvestigation with the member company that reported the disputed information. MIB will advise you of the results of the investigation. For more information about this process, please visit http://www.mib.com/how_to_dispute_your_consumer_file.html.

What if I am not satisfied with the outcome, or if the reinvestigation does not result in any changes to my MIB Consumer File?

If you are not satisfied with the outcome of the reinvestigation, then you may submit a brief statement of disputed accuracy that sets forth the nature of your dispute (known as a “Statement of Dispute”), which will then be attached to your MIB record. From that point forward, any MIB member that receives your MIB record will also receive a copy of your Statement of Dispute.