

Benecaid Policies

Benecaid is committed to the financial security of our clients and the health and well being of their employees.

We believe in transparency, and are pleased to provide information about the policies we have in place for financial management, reporting and responsibility, as well as customer care, data security, and claims administration. We are also pleased to provide information about how our plans meet Canadian Revenue Agency requirements.

If you have any questions, please contact our customer care team at 1.877.797.7448.

Click on the subject areas listed below to read our policies for each.

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BENECAID POLICIES

Financial management, reporting and responsibility

Benecaid has implemented numerous controls and policies that govern fiscal responsibility, security, and administration of our bank accounts and trusts.

- maintain internal controls for depositing cash
- have a claims payment system that includes peer review, multiple signing authorities, and monthly reporting
- protect the privacy of your employees
- segregate funds by client, for all funds in and out of Benecaid
- adjudicate and approve submitted claims for reimbursement
- review financial records independently on an annual basis
- have a majority, independent board of directors to provide oversight and governance

For our flexstyle® plan, Benecaid administers the contract between the employer and the employees to provide health benefits. Funds held in the claims reserve are the property of the employer, and are used to pay for the expenses of the benefit plan. We collect and remit premiums on behalf of the plan sponsor. Monthly statements reconcile your financial contributions and the amounts paid for claims, premiums, and administration fees and taxes. Unlike traditional insurance, where a premium is paid to an insurer to reimburse claims from the first dollar of spending, Benecaid manages the adjudication of claims and reimbursement up to the insurance deductible. If claims crest past the deductible, Benecaid submits them to the insurer for reimbursement. Claims reserve deposits are segregated from Benecaid corporate accounts, to protect against any possible claims from outside parties, further protecting the financial contributions to your reserve account.

With the Benecaid HSA, when you entrust us with the responsibility of managing your employees' health benefits, you also entrust us with something just as valuable – your financial contributions. Because your trust is important to us, in order to maintain it, we have developed policies to ensure that your financial contributions are secure, and used exclusively for the purpose of managing your employees' health needs. Benecaid has independent trustees who provide oversight for HSA accounts, each of whom is a chartered accountant. All funds are held in a trust account, and used to reimburse qualified medical expenses. The total cost of the Benecaid hsa^{complete}™ product includes the insurance premium, administration fees, MGA fees, broker commissions and premium taxes. Details of stated premiums are as follows:

| Single | Couple | Family | |
|---------|---------|---------|--------------------------|
| \$26.10 | \$39.15 | \$56.55 | Insurance Premium |
| \$23.90 | \$20.85 | \$18.45 | Fees, Commissions, Taxes |

If you have any questions related to the security and management of your financial contributions, we encourage you to contact customer care at 1.877.797.7448.

Customer care

At Benecaid, in order to fulfil our commitment to quality and continuous improvement, we have the following customer care policies in place. We

- log and review each call to identify trends and issues to improve service and satisfaction
- take a proactive approach to identifying customer needs
- coach and train customer care agents continually
- respond to the changing and ongoing needs of your employees
- take complaints very seriously – there are few in number, but any issue, whether it be card acceptance within a certain region or claims status inquiries, is taken immediately to our national customer service manager
- have a state of the art call center in Toronto that uses the latest in voice-over-Internet protocol (VOIP) technology
- are committed to improving customer service and accessibility for your employees

Data care

At Benecaid, we have a proven track record in maintaining the confidentiality of client and employee data. In order to fulfill our commitment to data security, we have the following policies in place. We

- restrict access to client files strictly to those who require access to them
- protect all software applications with restricted access at the workstation, application level, and database level or both
- have firewall and intrusion detection/prevention guards on all incoming and outgoing communications between the Internet and our corporate intranet
- scan all files imported to and exported from our systems for viruses
- encrypt all exported files if they contain confidential data
- shred all paper documents that contain personal information

Claims adjudication

Benecaid uses a combination of proprietary in-house systems and partners to deliver a superior solution to our clients. Our defined processes and state-of-the-art technology allow us to provide our clients with a reliable system for adjudicating claims effectively and efficiently. Our in-house technical system includes an extensive, secure data warehouse for managing client data and claims transactions. Benecaid ensures that claims are administered in compliance with PIPEDA guidelines.

HSAs and Canada Revenue Agency guidelines

Benecaid recommends that you consult with your personal advisor or accountant before opening a Health Spending Account. The CRA website provides information on taxation issues. For specific information related to Health Spending Accounts the Canada Revenue Agency has produced the following bulletins:

- IT-85R2 – Health and Welfare Trusts for Employees
- IT339R2 – Meaning of Private Health Services Plan
- IT-519R2 – Medical Expense, Disability Tax Credits and Attendant Care Expense Deduction

A copy of these bulletins can be requested from the Canada Revenue Agency by visiting its website: www.cra-arc.gc.ca.

You may also contact Benecaid at info@benecaid.com should you wish to have a copy of the bulletins sent to you.

Benecaid Health Solutions Inc. Privacy Policy

Philosophy Surrounding Privacy:

We, at Benecaid Health Benefit Solutions Inc. ("Benecaid", "we" or "us"), value the trust that you have shown in our business and we are committed to maintaining the accuracy, confidentiality, and security of your personal information. To that end, we have adopted this privacy policy.

This policy explains how Benecaid collects, uses, discloses and safeguards the personal information provided to us either directly by you or by a third party.

By providing, or authorizing a third party to provide, your personal information to us, you signify your consent to Benecaid's collection, use and disclosure of your personal information in accordance with this privacy policy.

For purposes of this privacy policy, "personal information" shall mean any information that can identify an individual directly or through other reasonably available means.

As part of our commitment to treat your personal information with respect, we operate in accordance with the following ten principles (the "Principles"):

- Principle 1 - Accountability
- Principle 2 - Identifying Purposes
- Principle 3 - Consent
- Principle 4 - Limiting Collection
- Principle 5 - Limiting Use, Disclosure and Retention
- Principle 6 - Accuracy
- Principle 7 - Safeguards
- Principle 8 - Openness
- Principle 9 - Individual Access
- Principle 10 - Handling Complaints and Inquiries

Principle 1 - Accountability

We are responsible for personal information in our possession or custody, including personal information that we may transfer to third parties for processing. The overall responsibility for ensuring our compliance with data privacy laws and this privacy policy rests with the Executive Vice President, who is our Privacy Officer, although other individuals within Benecaid have responsibility for the day-to-day collection and processing of personal information and may be delegated to act on behalf of the Privacy Officer. Please see below for the contact information of our Privacy Officer.

Principle 2 - Identifying Purposes

The purposes for which personal information is collected by us will be identified to you before or at the time the information is collected.

Principle 3 - Consent

Personal information will only be collected, used, or disclosed with the consent of the individual, except in certain circumstances permitted or required by law. The way in which we seek consent may vary depending upon the sensitivity of the information. We will seek express consent in cases where the personal information involved is considered sensitive, such as income or health information.

Typically, we will seek consent for the use or disclosure of personal information at the time of collection. However, additional consent will be sought after the personal information has been collected, if it is required for a new purpose.

In certain circumstances, obtaining consent would be inappropriate. The federal Personal Information Protection and Electronic Documents Act and provincial privacy laws provide for exceptions where it is impossible or impractical to obtain consent.

Principle 4 - Limiting Collection

The personal information collected by us shall be limited to those details necessary for the purposes identified to you.

Principle 5 - Limiting Use, Disclosure and Retention

We will not use or disclose personal information for purposes other than those for which it was collected, except with the consent of the individual or as required or permitted by law. Subject to any applicable business, legal, or regulatory requirements, we will ensure that the personal information is destroyed in a secure manner, erased, or made anonymous when it is no longer required to fulfil the purposes we have identified to you.

Principle 6 - Accuracy

We shall make every reasonable effort to ensure your personal information is maintained in an accurate, complete and up-to-date form.

Principle 7 - Safeguards

We shall utilize industry standard security safeguards to protect your personal information.

Principle 8 - Openness

If you would like a copy of our privacy policy we will provide one to you and if you have any questions regarding same, we happy to discuss them with you.

Principle 9 - Individual Access

Upon your request, we shall inform you of (i) the type of personal information we have collected, (ii) how we have used your personal information, and (iii) whether we have disclosed your personal information to any third parties. Individuals may verify the accuracy and completeness of their personal information, and may request that it be amended, if appropriate.

There may be circumstances where we are unable to provide access to all of your personal information. We may deny access for legally permissible reasons, such as situations where the information contains references to other individuals and is not reasonably severable, or where it cannot be disclosed for legal, security, or commercial proprietary reasons. We will advise the individual of any reason for denying an access request.

When an individual successfully demonstrates the inaccuracy or incompleteness of personal information held by us, we will correct or update the information as required.

Please note that before we are able to provide you with any information or correct any inaccuracies we will ask you to verify your identity and to provide other details to help us to respond to your request.

Principle 10 - Handling Complaints and Inquiries

Individuals may direct any questions or inquiries with respect to the Principles or about our information handling practices by contacting:

Benecaid Health Benefit Solutions Inc.
Privacy Officer
185 The West Mall, Suite 800
Etobicoke, ON M9C 5L5
Phone: 1 (877) 797-7448 ext. 7400
Fax: 1 (416) 622-5312
Email: privacy@benecaid.com

SPECIFIC HANDLING PRACTICES

Why We Gather Personal Information:

At Benecaid, we gather and use personal information to:

- administer, arrange and maintain the products and services you may request;
- authenticate, process and adjudicate (make determinations) benefit claims;
- verify your identity and investigate your personal background for insurance purposes;
- evaluate and underwrite insurance risk, and to determine your eligibility for insurance and non-insurance products that we offer;
- understand our customers, and prospective customers' needs, and to offer products and services to meet those needs;
- conduct credit checks on prospective corporate customers (but not individuals) and meet legal requirements;
- communicate with you and respond to any special needs or enquiries you may have;
- provide you with offers or information about other products and services that might benefit you;
- provide you with marketing offers from our third-party partners;
- allow our third-party partners to contact you with marketing offers about employee benefits;
- help us better manage our business and your relationship with us;
- de-identify your information and use it to compile statistics;
- investigate and detect potentially fraudulent or questionable activities regarding your benefit plan(s);
- evaluate or complete an actual or potential sale, reorganization, consolidation, merger or amalgamation of our business;
- coordinate with your employer to set up, change or administer your employee benefit plan;
- work with industry partners to underwrite, adjudicate or insure our suite of products;
- use as required or permitted by law.

Some or all of the personal information we collect may be stored or processed in jurisdictions outside of Canada. As a result, this information may be subject to access requests from governments, courts, or law enforcement in those jurisdictions according to laws in those jurisdictions. We only use personal information for the purposes that we have disclosed to you. If for any reason your information is required to fulfill a different purpose, we will obtain your consent before we proceed.

Types of Information We Collect:

The type of personal information we may ask for depends on and is related to the reason (or purpose) such personal information was provided to us. For instance, for the purposes of managing your Health Spending Account, we will collect information in respect of, and for the purposes, of processing your claim. In addition to the foregoing, the following is a description of the type of personal information that we may ask for:

- name;
- telephone number;
- residential address;
- email address;
- date of birth;
- employer name;
- details about your occupation;
- date, time, frequency and details in respect of claims made for medical or other benefit appointments;
- prescription information;
- banking and bank account information;
- information with respect to dependents covered by your employer's benefit plan;
- pre-existing medical conditions as they relate to products being purchased;
- chat and messaging transcripts when you use our instant chat applications; and
- information related to your browsing, purchasing and online behaviour and activities (see our policy on How We Collect Information Through Technological Means below).

The choice to provide us with your personal information, either directly or through a third party, is always yours. However, your decision to withhold particular information may limit our ability to provide you with the services or products you requested.

How We Collect Such Personal Information:

We may gather such personal information from you in person, via the Internet, via email, over the telephone or by corresponding with you via mail, facsimile, or from third parties who have your authority to disclose such personal information to us such as:

- government agencies and registries, law enforcement authorities and public records;
- any healthcare professional, medically-related facility, pharmacy, insurance company, or other person who has knowledge of your information;
- your employer;
- other insurance companies;
- other third-party service providers, agents, brokers and other organizations with whom you make arrangements;
- references you have provided; and
- persons authorized to act on your behalf under a power of attorney or other legal authority.

WHILE WE TRY TO ENSURE THAT EVERY THIRD PARTY WHO DISCLOSES PERSONAL INFORMATION TO US HAS YOUR CONSENT TO DO SO, IF YOU BELIEVE THAT A THIRD PARTY HAS INAPPROPRIATELY DISCLOSED YOUR PERSONAL INFORMATION TO US, PLEASE CONTACT THAT THIRD PARTY. IF THEY DO NOT ADEQUATELY RESPOND TO YOUR INQUIRIES, PLEASE LET US KNOW IMMEDIATELY.

For purposes of maintaining quality service, calls to our customer service lines may be recorded. A recorded message given prior to your call being answered will let you know if your call may be the subject of our random call recording quality assurance program.

How We Collect Information Through Technological Means

When you visit Benecaid's websites, we may collect information that is automatically sent to us by your web browser. This information may include your domain name, and your numerical IP address. We may also collect other information, such as the type of browser you use, which pages you view, and the files you request.

We use this information to better understand how visitors use our websites, and to improve our websites to better meet your needs. The amount of information that is sent by your web browser depends on the browser and settings you use. Please refer to the instructions provided by your browser if you want to learn more about what information it sends to websites you visit, or how you may change or restrict this.

Benecaid may use "cookies" and other similar devices on its websites to enhance functionality and provide more relevant offers for products and services. These devices may track information which includes, but is not limited to: (i) IP address; (ii) the type of web browser and operating system used; (iii) the pages of the website visited. If you wish to disable cookies, refer to your browser help menu to learn how. If you disable cookies, you may be unable to access some features on Benecaid's websites.

Use of Site by Minors

Our websites are not directed to individuals under the age of 18, and we request that these individuals do not provide personal information through our website.

When Information May be Disclosed to Outside Parties:

We may disclose your personal information to third parties as follows:

- to other insurance companies, other financial institutions and health organizations;
- to any health-care professional, medically-related facility, insurance company or other person who has knowledge of your personal information;
- to administrators, service providers, reinsurers and prospective insurers and reinsurers of our insurance operations, as well as their administrators and service providers for these purposes;
- in response to a court order, search warrant or other demand or request, which we believe to be valid;
- to meet requests for information from regulators, including self-regulatory organizations of which we are a member or participant, to satisfy legal and regulatory requirements applicable to us;
- to appropriate public health authorities.
- to our employees, suppliers, agents and other organizations that perform services for you or for us or on our behalf;
- when we buy or sell all or part of our businesses or when considering such transactions;
- to help us collect a debt or enforce an obligation owed to us by you; and
- to our third-party insurance and non-insurance partners, who wish to provide you with marketing offers and emails about employee benefits that may be available to you;
- to our third-party insurance and non-insurance partners whose plans or programs you may have enrolled in, for the purposes of administering those plans;
- where permitted by law.

In the event we disclose personal information to our service providers, we require our service providers to agree to contractual requirements that are consistent with applicable privacy laws. We prohibit our service providers from using personal information, except for the specific purpose for which we supply it to them.

The type of information we are legally required to disclose may relate to criminal investigations or government tax reporting requirements. In some instances such as a legal proceeding or court order, we may also be required to disclose certain information to authorities. Only the information specifically requested is disclosed and we take precautions to satisfy ourselves that the authorities that are making the request have legitimate grounds to do so.

There are some situations where we are legally permitted to disclose personal information such as employing reasonable and legal methods to enforce our rights or to investigate suspicion of illegal activities.

How We Safeguard Your Information:

We use industry standard technologies and maintain current security standards to ensure that your personal information is protected against unauthorized access, disclosure, inappropriate alteration or misuse.

Electronic files which contain personal information are kept in a highly secured environment with restricted access. Paper-based files are stored in a secure area and access is also restricted.

We manage our server environment appropriately and our firewall infrastructure is strictly adhered to. Our security practices are reviewed on a regular basis and we routinely employ current technologies to ensure that the confidentiality and privacy of your information is not compromised.

Our web site uses Secure Socket Layer (SSL) and 128 bit encryption technologies to enhance security when you visit the secured areas of these sites. SSL is the industry standard tool for protecting and maintaining the security of message transmissions over the Internet. When you access your account(s) or send information from secured sites, encryption will scramble your data into an unreadable format to inhibit unauthorized access by others.

To safeguard against unauthorized access to your account(s), you are required to "login" with a user name and a password to certain secured areas of the Benecaid web site. Both user id and password are encrypted when sent over the Internet. If you are unable to provide the correct password, you will not be able to access these sections.

When you call our customer service centre you will be required to verify your identity by providing some personally identifying information as well as your group number and client id.

In the course of daily operations, access to private, sensitive and confidential information is restricted to authorized employees who have a legitimate business purpose and reason for accessing it. For example, when you call us, our designated employees will access your personal information to verify who you are and to assist you in fulfilling your requests.

As a condition of their employment, all employees of Benecaid are required to abide by the privacy standards we have established. Employees are informed about the importance of privacy and they are required to agree to standard business practice policies that prohibit the disclosure of any individual's information to unauthorized individuals or parties.

Unauthorized access to and/or disclosure of personal information by an employee of Benecaid is strictly prohibited. All employees are expected to maintain the confidentiality of personal information at all times and failing to do so will result in appropriate disciplinary measures, which may include dismissal.

Accessing and Amending Your Information:

You have the right to access, verify and amend the information held in your personal files. You may access and verify any of your information by calling our customer contact centre at 1 (877) 797-7448.

To help us keep your personal information up-to-date, we encourage you to amend inaccuracies and make corrections as often as necessary. Despite our efforts, errors sometimes do occur. Should you identify any incorrect or out-of-date information in your file(s), we will make the proper changes. Where appropriate, we will communicate these changes to other parties who may have unintentionally received incorrect information from us.

Questions, Concerns and Complaints:

If you have a question, concern or complaint about privacy, confidentiality or the personal information handling practices of Benecaid, our employees or service suppliers, please contact:

Benecaid Health Benefit Solutions Inc.
David Katz
Privacy Officer
185 The West Mall, Suite 800
Etobicoke, ON M9C 5L5
Phone: 1 (877) 797-7448 ext. 7400
Fax: 1 (416) 622-5312
Email: privacy@benecaid.com

Before Benecaid is able to provide you with any information or correct any inaccuracies, we may ask you to verify your identity and to provide other details to help us to respond to your request. We will endeavor to respond within an appropriate timeframe.

Updating this Privacy Policy:

Any changes to our privacy policy and personal information handling practices will be acknowledged in this policy in a timely manner. We may add, modify or remove portions of this policy when we feel it is appropriate to do so. You may determine when this policy was last updated by referring to the modification date found at the bottom of this privacy policy. Your continued use of our websites after any such changes constitutes your acceptance of this privacy policy, as revised.

Websites Governed by this Privacy Policy:

The websites and applications that are governed by the provisions and practices stated in this privacy policy are: www.benecaid.com, www.accessbenecaid.com, www.myhoneybee.com, www.honeybeebenefits.com, the honeybee and benecaid mobile apps that may be in place from time-to-time, and any other websites and mobile applications operated by Benecaid.

The Benecaid websites may contain links to other third party sites that are not governed by this privacy policy. Although we endeavor to link only to sites with high privacy standards, our privacy policy will no longer apply once you leave the Benecaid website. Additionally, we are not responsible for the privacy practices employed by other third party websites. Therefore, we suggest that you examine the privacy statements of those sites to learn how your information may be collected, used, shared and disclosed.

Governing Law and Dispute Resolution:

This privacy policy, and all related matters are governed solely by the laws of the Ontario, Canada and applicable federal laws of Canada, excluding any rules of private international law or the conflict of laws which would lead to the application of any other laws.

Any claim or cause of action you may have arising from, connected with, or relating to this privacy policy or Benecaid's handling of your personal information, or any related matters must be commenced within six months after the claim or cause of action arises, after which time the claim or cause of action is forever barred, regardless of any statute or law to the contrary.

Fraud Prevention

At Benecaid, we are committed to ensuring our customers have access to affordable health benefits. Identifying and preventing insurance fraud is an important element in our operations, and one we take very seriously.

If you witness any behaviour that may indicate fraudulent use of your employee health benefits plans, we want to hear from you. Your information will be held in strict confidence, and we will not request any identifying information from you.

To report suspicious behavior, please e-mail customercare@benecaid.com or call **1-877-797-7448**.

Suspicious behavior may include submitting a fictitious claim, or submitting an inflated medical or dental claim. Preventing these behaviors can help ensure your health benefits plan will remain affordable and accessible to you and your employer.