ATLANTIC COMMUNITY BANK BENEFIT PLAN

NOTICE OF PRIVACY PRACTICES

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT ACCESS YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET CAREFULLY. TO THIS INFORMATION. PLEASE REVIEW

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 Atlantic and Accountability Act ("HIPAA") to protect the privacy of your personal health information held by the Community Bank (the "Company"). The Atlantic Community Bank Benefit Plan (the "Plan") is required by the Health Insurance Portability

maintain your personal health information in the course of assisting the Plan. Benefit Trust, to help it provide these benefits to you. These business associates also receive and 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 the South Carolina Bankers Employee

and/or provide to Enrollees a copy of the revised Notice or information about the change and 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 apply to all your personal health information maintained by or for the Plan before and after the effective how to obtain a copy of the revised Notice. The Plan reserves the right to make the new changes any time. If there are material changes to this Notice, the Plan will post the change on its website date of the new notice.

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

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.

information reasonably necessary to accomplish the described purpose. procedures to ensure these uses or disclosures are limited to the minimum amount of your personal health for the purposes described below. disclose your personal health information without your authorization or an opportunity to agree or object 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 The Plan and its business associates have their own policies and

decisions about payment for your health care. Payment. The Plan has the right to use and disclose your personal health information to make "Payment" includes a variety of activities,

and seeking payment from other responsible third parties); reviewing medical necessity, coverage, appropriateness of care and support for charges; conducting utilization review appeals the denial of a claim. treatment is covered under a Benefit Program and whether to pay or deny a claim. The Plan also Plan reviews and uses information about treatment you have received to determine whether that collection or credit reporting agencies concerning your payment of premiums. Examples: The (precertification, concurrent or retrospective reviews); and making limited disclosures to including decisions about your eligibility or coverage; processing claims (including paying claims uses your personal health information to make decisions when you or your health care provider

provision, coordination, or management of health care and related services by one or more health care providers. Example: The Plan discloses certain records or information to your healthcare provider for the healthcare provider's provision or coordination of your care. for the treatment activities of health care providers. Treatment includes, but is not limited to, the Treatment Purposes. The Plan has the right to use and disclose your personal health information

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- instances the Plan may use or disclose your personal health information for the purpose of coordinating your care to reduce the cost of your care, when it is evaluating the financial continue offering certain benefits. performance of the Plan or any of its Benefit Programs, or when it is deciding whether to offer or along with general business management and administrative activities. Programs (including developing or improving benefits, payment methods and coverage policies), 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 quality improvement activities, case management and care coordination and evaluating Plan information to conduct its health care operations. "Health Care Operations" of the Plan include Health Care Operations. The Plan also does business planning and development for the Plan and its Benefit The Plan performs or contracts for audit, fraud detection and compliance The Plan has the right to use and disclose your personal health Examples:
- 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 the South rights to access and amend that information. These rights are described below. health information, and will assist the Plan in carrying out its responsibilities with regard to your creates, receives or uses. Certain business associates may have the only copies of your personal writing to ensure the continuing privacy and security of your personal health information it Carolina Bankers Employee Benefit Trust. Each business associate of the Plan must agree in To Business Associates. The Plan may disclose your personal health information to those

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.
- 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 The Plan may disclose your personal health information to certain designated employees Company has agreed to ensure the continuing privacy and security of your personal

administering any other benefit plans that are exempt from the HIPAA privacy 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

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

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

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

- presence that you agree we may discuss your personal health information with that individual; under the Plan, unless you object or notify us otherwise at the time we may infer from their If you bring the individual with you to discuss an issue arising from payment for your health care
- in obtaining payment for your health care; or 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
- information to such an individual. If you sign an authorization specifically allowing the Plan to disclose your personal health

allowing the Plan to use or disclose your personal health information in a manner not described in this right to receive benefits under the Plan cannot be conditioned upon your signing an authorization on your prior written authorization. the Plan and its business associates maintain, unless the information has already been disclosed in reliance revoke it in writing at any time. Your revocation will be effective for all the personal health information written authorization to use or disclose your personal health information then, in most cases, you may psychotherapy notes, we will not disclose those notes without your authorization. marketing purposes or sale without obtaining your authorization. If we have records for you that include its business associate. For example we will not use or disclose your personal health information for give your written permission ("authorization") to do so, using a form approved or supplied by the Plan or disclose your personal health information for any purposes other than those described above unless you Uses and Disclosures with Your Written Permission (Authorization). Except in limited eligibility and enrollment circumstances, your The Plan will not use If you give a valid

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

- information. Except in limited circumstance, the Plan does not have to agree to your request To put additional restrictions on the Plan's use and disclosure of your personal health
- specify the alternative means or location to communicate with you in confidence 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 To ask the Plan to communicate with you in confidence about your personal health information
- Plan or its business associates. In limited cases, the Plan does not have to agree to your request. To see and get copies of your personal health information that is created or maintained by the
- 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

- authorization. upon the effective date of, Section 13405(c) of the HITECH Act), or disclosures made with your disclosures made for treatment, payment or health care operations (except when required by, and and its business associates made for the last 6 years (but not for disclosures made before April 14, 2004, and subject to Section 13405(c) of the HITECH Act. The Plan is not required to list To receive a list of certain disclosures of your personal health information ("PHI") that the Plan The Plan is not required to list
- 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 to carry out your request. forms for you to complete and return. In some cases, the Plan may charge you a nominal, cost-based fee Contact at the address provided below. The Plan Contact will give you the necessary information and

Additional Rights.

- will notify you of certain breaches of your personal health information, if they occur, as required by the HIPAA Privacy Rule requirements. You have the right to receive notification of certain breaches of your health information. The Plan
- information that is genetic information for underwriting purposes, as such terms are defined by Unless otherwise permitted by applicable law, the Plan shall not use or disclose protected health the HIPAA Privacy Rule.

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

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

Contact Office:	Contact Office: Privacy Officer c/o Ms. Teresa D. Taylor		
Telephone:	(803) 779-0850	Fax:	Fax: (803) 779-0890
E-mail:	teresataylor@scbankers.org		
Address:	PO Box 1483 Columbia, SC 29202	9202	