



LIFESECURE INSURANCE COMPANY

**CODE OF
BUSINESS
CONDUCT**



POLICY STATEMENT

LifeSecure Insurance Company is committed to conducting its business with integrity and in accordance with all applicable federal, state, local laws and LifeSecure standards.

The Code of Business Conduct is the foundation for providing guidance to employees, interns, temporary agency personnel, contractors, consultants, vendors, external sales agents and members of the Board of Directors. Individuals and organizations conducting business on behalf of, or with, LifeSeure are expected to abide by LifeSecure's Code of Business Conduct provisions applicable to them.

If you wish to confidentially discuss a situation that raises ethical issues, or report a violation, call the Anti-Fraud hotline at (800) 482-3787.

High Ethical Standards: The Key to Our Success

Our Code of Business Conduct is part of our way of life at LifeSecure. Corporate ethics and corporate compliance are related concepts, but not identical. Ethics are part of the culture of an organization. They provide a framework for decision making by guiding employees to always consider and do the "right thing." This framework focuses on guiding employees on how and why to follow the rules. Compliance is the requirement that all employees and contractors abide by federal, state and local laws, contractual obligations and the LifeSecure standards, and all Company policies.

You must strive to maintain these high standards as you conduct the company's business. Maintaining these high standards is the key to our success.

The standards are explained below and require all employees and others acting on behalf of the company, to act with honesty, integrity and impartiality when dealing with customers, providers, vendors, regulators, competitors, community, fellow employees, board and council members. To earn and keep their trust, you must make every effort to avoid even the appearance of illegal or unethical conduct. You must also take positive action to prevent or correct any improper conduct. This includes identifying and reporting known or suspected violations of the law, the code of business conduct and suspected fraud, waste and abuse.

Senior leadership and the boards of directors are committed to providing avenues through which ethical issues may be raised, reviewed and resolved openly and honestly. Help is available when you have questions about how to maintain ethical standards. If you are in a situation that raises an ethical issue, and you need help, follow the guidelines under the heading, "How We Solve Ethics Problems."

Conflicts of Interest

One of the more common ethical dilemmas we confront involves potential conflicts of interest.

- A conflict of interest exists when a person's personal interests and his or her business responsibilities are at odds. You need to avoid personal interests that might conflict with your loyalty to the company or compromise your judgment on the job. It is extremely important to avoid actions that could even appear to be influenced by personal interests.
- How do you know when a conflict of interest is present? In some cases the conflict may be easy to identify. For instance, it is almost always a conflict of interest for you to work simultaneously for the Company and on behalf of a provider, competitor, contractor, vendor, supplier or customer. Likewise, it is usually a conflict of interest for you or members of your immediate family or a cohabitant to have substantial financial or business interests with a competitor, provider, contractor, customer or supplier of the Company, its parent or its subsidiaries. However, the existence of a conflict may not always be this clear-cut, and a review of the facts will assist in determining whether

a potential conflict, true conflict or no conflict exists. To identify the less obvious conflicts, you may find it helpful to ask yourself the following questions: "Are my job-related decisions made on sound business principles? Or, have I permitted my personal interests to influence my business decisions?"

- A conflict of interest may also exist if you seek employment with a competitor, supplier or customer of the Company and you have business dealings with them in your role at the Company. If you take employment elsewhere you must remember that all Company materials, work-products, manuals, programs and systems are the property of the Company and cannot be taken with you. This includes any work-product that you developed while employed by the Company.

Likewise, you must not bring work-product, trade secrets, proprietary or confidential information from another employer or organization to your job at the Company. This confidential information cannot be used without the written consent of the other employer or organization. You must not bring manuals, policies, programs, systems or any other property of a former employer or another organization to the Company. This includes materials that you developed while working for another organization, but does not include materials that are already in the public domain or where an employee has rights to the use of the material, for example, a patent held by an employee.

Questions regarding ownership issues and the use of confidential information should be directed to the Corporate Secretary.

Depending upon personal circumstances, some employees may have a second job outside the company. As long as it does not cause a conflict of interest with your employment, there should be no problem. However, your employment at the Company is your first business priority. Any other employment or business activity needs to be secondary and cannot interfere with job performance and responsibilities. No outside business or employment activity should involve the use of company time, its name or influence, assets, funds, materials, facilities or the services of other employees. If you have any questions whether your secondary job constitutes a conflict of interest with your employment, please discuss it with your leader or contact the Corporate Secretary.

Confidentiality

- The Company is required by state and federal law, and is strongly committed, to safeguard the confidentiality of personal and protected health information. Such information includes a policy holder's medical history, treatment records, age or marital status. You may have access to this information only if you need it to perform your job and you may use and disclose it only as permitted or required by law and by our corporate privacy policy and procedures. Any breach of this obligation to maintain the confidentiality of protected health information will be viewed very seriously and will result in discipline, up to and including termination of employment.
- You must vigorously safeguard the Company's confidential or proprietary information. Confidential or proprietary information includes any information that is not generally disclosed outside the company and that may be useful or helpful to our competitors. Examples include financial data, customer lists, business strategies and information or data that we have agreed by contract to maintain confidentially. To protect this valuable confidential information from improper disclosure, follow these guidelines:
 1. Share confidential information with others on a need-to-know basis
 2. Ensure that disclosure of any confidential information to outsiders is approved by leadership and protected by an appropriate confidentiality agreement
 3. Avoid incidental disclosures of confidential information in conversations with suppliers, customers and others

- Employees must also respect and protect the trade secrets, proprietary and confidential information of other entities acquired prior to working for the Company. This confidential or protected information cannot be used by employees without the written consent of the owner. Confidential or protected information includes, but is not limited to the following: customer lists, patented products, methods, or processes, copyrighted materials or the trade or service marks of others. Questions regarding ownership issues and the use of protected information should be directed to the Corporate Secretary.

Gifts and Entertainment

- You may not give or accept any gift from a customer, vendor, supplier, provider, consultant, agent or competitor that could be perceived to influence the recipient's sound business judgment. The purpose of business entertainment and gifts should be to create goodwill and to establish a good working relationship, not to gain an unfair or improper advantage, or to affect the exercise of a person's sound business judgment.
- We respect the standards of other individuals and entities with whom we deal. If their standards are more restrictive than ours, we will abide by their standards as they apply to their employees to the extent we are aware of them. Federal law prohibits gifts to federal employees, certain union leaders and to members of Congress, including any vendor, agent, provider, consultant or government official affiliated with government health programs such as Medicare, Medicaid, Federal Employee Program (FEP) or the Federal Employee Health Benefits Program (FEHBP). We must follow the law as it applies to gifts to these individuals. Under no circumstances may an employee offer to or accept from state or federal government employees inducements of any kind.
- You may not give or receive monetary gifts, including gift certificates and gift cards. Articles of nominal value ordinarily used for sales promotion may be exchanged, except as provided above. Similarly, and subject to these same exceptions, the exchange of such business courtesies, including reasonable meals and entertainment consistent with social and business custom, is also permissible. You should exercise good judgment in offering or accepting meals, entertainment or other gratuities, including gifts and other support from vendors.
- When in doubt as to whether gifts and entertainment are appropriate, consult your leader or contact the Corporate Secretary.

Accounting and Reporting

- You need to ensure the integrity of the company by accurately and truthfully recording all corporate information, accounting and operating data by strictly following established accounting and business procedures. You may not for any reason cause false or artificial entries to be made in company books or records. Examples of improper conduct include causing records to appear as though a transaction occurred when it did not, causing records to appear as though a transaction occurred at a different time than it truly did, or failing to report suspected fraud, waste or abuse.
- No Company officer or director, or any other person acting under his or her direction should take any action to fraudulently influence, coerce, manipulate or mislead any independent public or certified accountant engaged in the performance of an audit of the financial statements of the Company for the purpose of rendering such financial statements materially misleading.

Political Activities

- The Company encourages you to be a good citizen and to participate in the political process. However, if you participate in political activities on your own initiative, including making personal political contributions to candidates or political parties, make it clear that you are acting as an individual and not acting on behalf of the Company. You may not use any company property, facilities or time of any other employee for any political activity. Employees involved in political activities should do so outside of working hours.
- Corporate political activity is highly restricted. The Company is prohibited by law from using its funds to support candidates for federal, state or local office. A narrow exception to this rule allows use of company funds to form a political action committee that may then make political contributions using voluntary donations from eligible employees.

Fair Dealing

- It is the responsibility of each employee, officer and director to deal fairly with customers, suppliers, competitors and employees. No one shall take unfair advantage of anyone through manipulation, abuse of privileged information, misrepresentation of material factors or any other unfair dealing practice.

Use of Company Funds and Assets

- You are responsible for ensuring that corporate assets are used only for valid business purposes. Company assets include not only our equipment, funds and office supplies, but also concepts, business strategies and plans, financial data and other information about Company business. These assets may not be used to derive personal gain for you or for others.
- The Company should not directly or indirectly extend or maintain credit, arrange for the extension of credit, or renew an extension of credit in the form of a personal loan to or for any director or executive officer (or equivalent thereof) of the Company. An extension of credit maintained by the Company at the time this policy is adopted should not be subject to the provisions of this subsection, provided that there is no material modification to any term of any such extension of credit or any renewal of any such extension of credit on or after such date.

Prior Criminal Convictions and Delegation of Authority

- The Company has a legal duty to identify and consider for exclusion from its business operations employees whose prior conduct was illegal or inconsistent with the administration of an effective compliance and ethics program. How the illegal activity or other misconduct is related to the specific responsibilities of the individual, as well as how recently the misconduct occurred will be taken into consideration when making hiring, contracting or retention decisions. Workforce members will be subject to periodic background checks and to verification against Federal debarment and exclusion databases. The Company will not hire, retain, engage or contract with any individual or organization whose name appears on federal debarment listings.
- Decisions regarding the hiring or retention of individuals or organizations with histories of felony convictions, other convictions for crimes of fraud, dishonesty or other healthcare crimes, or other reported or discovered misconduct under this corporate policy will be made by the Company's Human Resources department. Issues regarding contracting with any organizations that have felony convictions or other misconduct will be discussed and resolved by the Corporate Secretary and BCBSM Office of the General Counsel.

- The Company will not delegate substantial discretionary authority to individuals whom it knows, or through the exercise of due diligence should have known, have a propensity to engage in inappropriate, improper or illegal conduct.

Use of Company E-mail and Internet

- Internal e-mail systems are acceptable for transmitting confidential data within the enterprise. Employees may share protected health information using internal e-mail systems provided the recipient has a business need-to-know and the minimum necessary principle is applied. Internal electronic mail system, however is not secured source of data transmission and should not be used to send e-mail over the public Internet.
- Messages traversing the Internet are subject to potential public disclosure through innocent misdirection or deliberate intervention if not encrypted. If in doubt, assume that your message will end up on a public bulletin board on the Internet and judge the content and any attachment accordingly.
- An encryption option is available to secure messages that are being sent over the Internet. Workforce members can type the word “encrypt” in the subject line of an email going outside of LifeSecure workforce. The recipient of the email will receive the message as a secure email. Emails sent within the LifeSecure workforce are encrypted automatically and do not require user intervention. You may contact the System Administrator if you have questions related to encrypted email.

It is a violation of the Code of Business Conduct to create or exchange messages or information on or through the Company’s internal and Internet electronic mail system that is offensive, harassing, obscene, threatening or disparaging to others. Simply stated, do not send anything via the electronic mail system that you would not want disclosed publicly.

Records Management

- All employees are required to comply with Records Management policies which establish uniform procedures for storing, retaining and destroying corporate records, in accordance with applicable federal, state and local laws. However, in the event of investigations of alleged wrongdoing or as required by court order, destruction of relevant corporate records under the Records Management Policy shall be suspended as necessary and appropriate under the directive of the BCBSM Office of the General Counsel. You are required to preserve relevant corporate records as directed by BCBSM Office of the General Counsel.

Adherence to Fraud, Waste and Abuse Guidelines

- The Federal False Claims Act requires that the Company must not make false claims, records or statements in order to secure payment of a fraudulent claim from the federal government.
- Pursuant to the Federal Anti-kickback statute, the Company must not request, solicit, receive, offer, give or make payments of any kind (including bribes, kickbacks and rebates) whether directly or indirectly that would encourage a person to:
 - Refer a person to another person for the furnishing of any item or service covered by a federal program

- Purchase, lease, order or arrange for any good, facility, service or item for which payment may be made under a federal health care program, including the Medicare, Medicaid, FEP and FEHBP programs
- The Company's fraud, waste, and abuse program is incorporated into this policy as well as the administrative procedures of the departments involved in detecting and preventing fraud, waste and abuse. It is the responsibility of all employees to prevent and detect fraud, waste and abuse on behalf of all of the Company's lines of business.