

	<h1>CORPORATE POLICY</h1>	Number: EC&F 2.0 Owner: Governance Type: Ethics Compliance & Fraud Effective Date: 05-2011 Last Revision Date: New
Title PRIVACY & CONFIDENTIALITY		

SECTION 1 – PURPOSE

State Fund has a legal duty to protect the privacy rights of its policyholders, claimants, third parties, and members of its workforce and establish appropriate policy and procedures to protect information which is [private](#) or [confidential](#). This policy presents the organization’s standards governing the collection, access, use, and treatment of private/confidential information.

State Fund handles [personally identifiable information](#) of individuals, which is considered to be private and protected by privacy laws. State Fund also handles sensitive commercial information of its policyholders and other business partners. This type of business information is also protected and referred to as confidential. “Private/confidential” will be used to refer to both types of information in this policy.

SECTION 2 – POLICY STATEMENTS

In the normal course of its business operations as an insurance carrier, State Fund accesses, creates, and collects private/confidential information regarding policyholders, claimants, and third parties. As an employer, State Fund also collects and maintains private/confidential information regarding its employees.

2.1 State Fund Workforce Responsibilities

Each member of the [State Fund Workforce](#) has responsibility for preventing the improper disclosure or use of the private/confidential information of policyholders, claimants, and fellow employees.

Members of the State Fund Workforce:

- Are responsible for understanding the laws, policies, and procedures that define private/confidential information, and disclosure standards applicable to the private/confidential information they use and have access to;
- May only access, view, use, or release private/confidential information in the possession of State Fund as permitted by law, policy, or procedure and necessary to perform their job duties ; and
- Must report suspected or actual unlawful, improper or unauthorized accessing, viewing or releasing of private/confidential information.

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2.2 How State Fund Handles Policyholder, Claimant, and Third Party Private/Confidential Information

2.2.1 Information Safekeeping

State Fund does not disclose, sell, trade, or otherwise transfer policyholder, claimant, or third party private/confidential information to third parties, except to the extent permitted or required by law. Private/confidential information is disclosed to the State Fund Workforce as necessary to enable performance of daily work to conduct its workers' compensation insurance business, or meet its legal obligations as a quasi-state entity.

2.2.2 Use of Anonymized or Aggregated Information

Policyholder or claimant information that is anonymized or aggregated may be used by State Fund for reasonable business purposes. Disclosure is limited to entities which provide State Fund with advance written assurance that the information will be used solely for statistical research or reporting purposes and publically disclosed results will not identify individuals.

2.2.3 Information Release

State Fund will release [private/confidential](#) information when required by or allowed for by law.

2.2.4 Investigation Cooperation

State Fund will cooperate with law enforcement agencies in investigating instances where it is suspected that State Fund resources have been used for illegal purposes. State Fund:

- *Must* report any activity it reasonably believes to be fraudulent; and
- *Will* report activity it reasonably believes to be illegal

to law enforcement agencies along with relevant private/confidential information. State Fund may release the information to law enforcement agencies without notice to policyholders, claimants or third parties as allowed by law, or [valid legal order](#).

2.3 State Fund Employee Information; State Fund [Information Systems](#) & [Property](#)

2.3.1 Restricted Disclosure of Employee Information

State Fund restricts collection, access and disclosure of its employees' private information in accordance with the California Information Practices Act of 1977(Cal. Civ. Code § 1798 et. seq.).

2.3.2 No Expectation of Privacy – State Fund Property and Information Systems

Members of the State Fund Workforce have no expectation of privacy with respect to information or property owned by State Fund. State Fund Information Systems are State Fund property. As allowed by federal and state law, State Fund has the right to access, review, inventory, monitor, and use the records, property, and information stored, generated or found in, or communicated via its Information Systems or at its locations. This activity may take place without notice to members of the State Fund Workforce and can be for reasons allowed by law.

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2.3.3 Property Rights

Information created, stored or transmitted involving State Fund's Information Systems is the property of State Fund unless otherwise provided for by written contract or law.

2.4 State Fund Privacy Office

State Fund's Privacy Office is authorized to:

- Respond to State Fund privacy/confidentiality concerns, questions, and complaints;
- Evaluate and coordinate State Fund's responses to specific data/privacy breaches and ensure that necessary resources are secured and constituents are notified in the event of a breach;
- Work with Information Technology, Records Management, Legal and other appropriate business functions to educate the State Fund Workforce about privacy, develop and deploy programs for the prevention and detection of privacy breaches, and develop and revise as necessary a coordinated plan of action to respond to physical or security breaches in a consistent and effective manner; and
- Monitor State Fund business units' handling of privacy/confidentiality concerns.

2.5 Reporting Privacy and Confidentiality Breaches

Upon discovery of unauthorized access, use, or disclosure of private/confidential information, the person(s) who discovered the compromise must report the incident as soon as possible through the Privacy Breach Hotline at **866-294-1742**.

SECTION 3 – APPLICABILITY, SCOPE & BASIS

The policy applies to all members of the State Fund Workforce.

3.1 Related Laws, Regulations or Industry Standards

Complete text of the California statutes and the Business and Professions Code listed below can be accessed through: <http://www.leginfo.ca.gov/calaw.html>

Complete text of the California regulations listed below can be accessed through: <http://ccr.oal.ca.gov/linkedslice/default.asp?SP=CCR-1000&Action=Welcome>

Information Practices Act of 1977(Civil Code §§1798 *et seq.*);
 California Financial Information Privacy Act (Cal. Financial Code §§ 4050, *et seq.*);
 California Public Records Act (Cal. Government Code §§ 6250 *et seq.*);
 Online Privacy Protection Act of 2003 (Cal. Business and Professions Code §§ 22575-22579);
 and California Privacy Regulations (Cal. Code Regs. Title 10, §§ 2689 *et seq.*)
 Insurance Information and Privacy Protection Act (Cal. Insurance Code §§ 791 *et seq.*)

Payment Card Industry Data Security Standards (PCI DSS)
<https://www.pcisecuritystandards.org/documents/PCI%20SSC%20Quick%20Reference%20Guide.pdf>

NOTICE

All State Fund employees will be required to sign a statement annually that they have read and understand this policy as part of State Fund's *Code of Conduct* acknowledgement process.

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SECTION 4 – AUTHORITY

The General Counsel is responsible for policy assurance and oversight. The Senior Vice President of Internal Affairs is the State Fund Privacy Officer and policy owner responsible for compliance with, updates to, and enterprise monitoring of this Corporate Policy.

SECTION 5 – RELATED CORPORATE POLICIES

- EC&F 2.1 Complaint Reporting and Anti-Retaliation
- GOV 1.4 Records and Information Management
- GOV 1.5 Secure Destruction of Information
- IT 6.0 Data Classification
- IT 6.1 Information Security

SECTION 6 – RELATED DEFINITIONS PROCEDURES, FORMS, & PUBLICATIONS

6.1 Definitions

Confidential Information – Information about State Fund, a State Fund policyholder or claimant, or a third party of such nature that it has independent economic value from not being generally known to the public.

State Fund confidential information includes but is not limited to marketing strategy or research, information related to rates and rate setting, short and long term business planning, trade secrets, investment strategy, claims handling policies and procedures, information related to real estate transactions and any other confidential information that would give a competitor an unfair advantage if it were released.

State Fund policyholder confidential information includes, but is not limited to, wage, salary and tax information, trade secrets, financial statements, credit reports, and any other information that the insured has lawfully designated as proprietary or trade secret.

Information System – An organized collection, storage, processing, and presentation system of data and other knowledge for decision making, reporting, and for planning and evaluation of programs. It can be either manual or computerized, or a combination of both.

Personal Financial Information/Payment Card Information (PFI/PCI) – Nonpublic financial information about an individual or policyholder, including without limitation social security number, driver's license number, California identification number, financial account number, and payment cardholder data including without limitation: primary account number, cardholder name, expiration date, and service code.

Personally Identifiable Information (PII) – Information that can be used by itself or with reference to another source to identify, contact, or locate an individual.

Private Information – includes, but is not limited to:

- a. **For Employees of State Fund** – Information that identifies or describes an individual, including but not limited to his or her, social security number, physical description, home address, home telephone number, education, financial matters, and medical and employment history. It includes statements made by, or attributed to, the individual. *Private information does not include information about civil service employees which is disclosable under California law, including but not limited to the California Public Records Act and Fair Political Practices Act.*

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b. For Policyholders, Claimants, and Third parties – Any individually identifiable information gathered in connection with an insurance transaction from which judgments can be made about an individual's character, habits, avocations, finances, occupation, general reputation, credit information or any other personal characteristics. It includes an individual's name and address, and medical record information.

Protected Health Information (PHI) – Information about health status, the provision of health care, or payment for health care that can be linked to an individual, by itself or with reference to another source.

Property – Objects, devices, information, or material found in State Fund information systems or at its locations. Locations include:

- Buildings owned, leased or rented by State Fund;
- Desks, filing cabinets and other storage equipment; and
- State Fund issued vehicles.

Devices include: computer equipment, telephones, voice mail, fax machines, wireless devices, cell phones, copiers, scanners, and any other similar means of communication technology currently in use. Information formats include: oral; electronic; telephonic; magnetic; video; audio; or paper.

State Fund Workforce – The term 'State Fund Workforce' is used herein solely for purposes of describing a collective group of people who work for State Fund, including officers, employees, and non-employees. No employer-employee or agency relationship is intended or created by the use of the term. The use of the term has no impact on State Fund's relationships with consultants or independent contractors.

Valid Legal Order – An order issued by a court or that otherwise has a force of law.

6.2 Procedures

EC&F-2.0-PR1 Procedure for Managing Privacy and Confidentiality Breaches

6.3 Forms (Intentionally left blank at this time)

6.4 Publications

Information Security Requirements for Employees with Access to Sensitive or Personal/Business Information
State Fund Code of Conduct
 State Fund System User Information Notice (8556)

SECTION 7 – HELP & ADVICE

For help and advice regarding this policy, privacy and security issues or Privacy & Confidentiality procedures, contact the Governance department via email: privacyoffice@scif.com,

SECTION 8 – REVIEW HISTORY

Review Date	Action Date	Action	Section(s) Revised	Effective Date
05/06/2011	05/06/2011	Final QA –dept. change	New	05/2011