

# For Your Information

## Women's Health and Protection Rights Act

The Women's Health and Cancer Rights Act of 1998 (Women's Health Act) includes protections for breast cancer patients who elect to have breast reconstruction in connection with a mastectomy. This plan includes benefits made available through the Women's Health and Cancer Rights Act of 1998. This law mandates that a participant or eligible beneficiary who is receiving benefits, on or after the law's effective date (January 1, 1999 for our Plan), for a covered mastectomy and who elects breast reconstruction in connection with the mastectomy, will also receive coverage for:

- Reconstruction of the breast on which the mastectomy has been performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
- Prostheses and treatment of physical complications of all stages of mastectomy, including lymph edemas.

This coverage will be provided in consultation with the patient and the patient's attending physician and will be subject to the same annual deductible, coinsurance, and/or co-payment provisions otherwise applicable under the Plan.

## The Newborns' And Mothers' Health Protection Act

Under Federal law, benefits may not be restricted for any hospital stay in connection with childbirth for the mother or newborn child to less than 48 hours following a normal vaginal delivery, or less than 96 hours following a cesarean section. However, benefits may be paid for a shorter stay if the mother's or newborn's attending provider, after consulting with the mother, discharges the mother or newborn earlier. In addition, a plan may not require the provider to obtain authorization from the plan for prescribing a length of stay of up to 48 hours (or 96 hours).

## Continuation Required By Federal Law For You And Your Dependents (COBRA)

Federal law enables you or your dependent(s) to continue health insurance if coverage would cease due to a reduction of your work hours or your termination of employment

(other than for gross misconduct). Federal law also enables you or your dependents to continue health insurance if their coverage ceases due to your death, divorce or legal separation, or with respect to a dependent child, failure to continue to qualify as a dependent. Continuation must be elected in accordance with the rules of your employer's group health plan(s) and is subject to federal law, regulations and interpretations. The continuation required by federal law does not apply to any benefits for loss of life, dismemberment or loss of income.

## Notice of Special Enrollment Rights

If you are declining enrollment for yourself or your dependents (including your spouse) because of other health insurance or group health plan coverage, you may be able to enroll yourself and your dependents in this plan if you or your dependents lose eligibility for that other coverage (or if the employer stops contributing towards you or your dependents' other coverage). However, you must request enrollment within 30 days after you or your dependents' other coverage ends (or after the employer stops contributing toward the other coverage). If you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents. However, you must request enrollment within 30 days after the marriage, birth, adoption, or placement for adoption. If you decline enrollment for yourself or for an eligible dependent (including your spouse) while Medicaid coverage or coverage under a state children's health insurance program is in effect, you may be able to enroll yourself and your dependents in this plan if you or your dependents lose eligibility for that other coverage. However, you must request enrollment within 60 days after you or your dependents' coverage ends under Medicaid or a state children's health insurance program. If you or your dependents (including your spouse) become eligible for a state premium assistance subsidy from Medicaid or through a state children's health insurance program with respect to coverage under this plan, you may be able to enroll yourself and your dependents in this plan. However, you must request enrollment within 60 days after you or your dependents' determination of eligibility for such assistance. To request special enrollment or obtain more information, contact the Benefits Department.

## HIPAA Privacy Rules

The HIPAA (Health Insurance Portability and Accountability Act of 1996) Privacy Rules affect group health plans, and HMOs. The privacy standards set restrictions on the ability of a plan to disclose protected health information (PHI) to an employer or to permit the disclosure of that information to the plan sponsor by a health insurer or HMO. A plan may only use or disclose individually identifiable health information for its own payment or health care operations. Under the regulations, individuals have a right to access, inspect, and obtain a copy of protected medical information concerning them. The Company maintains a detailed description of the plan's privacy practices with regard to PHI. If you would like a copy of this notice, you may contact the Benefits Department.

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

This Notice of Privacy Practices (the "Notice") describes the legal obligations of Nabors Industries, Inc. (the "Plan") and your legal rights regarding your protected health information held by the Plan under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). This Notice describes how your protected health information may be used or disclosed to carry out treatment, payment, or health care operations, or for any other purposes that are permitted or required by law. HIPAA requires us to provide this Notice of Privacy Practices to you.

The HIPAA Privacy Rule protects certain medical information known as "protected health information." Generally, protected health information is individually identifiable health information including demographic information collected from you, created or received by a health care provider, a health care clearinghouse, a health plan, or your employer on behalf of a group health plan which relates to:

- your past, present or future physical or mental health or condition;
- providing health care to you; or
- making past, present or future payments for providing health care to you.

If you have any questions about this Notice or about our privacy practices, please contact the Director of Compensation and Benefits at 1-866-266-9040.

## Effective Date

This Notice is effective September 23, 2013

## Our Responsibilities

We are required by law to:

- maintain the privacy of your protected health information;
- notify you of any breach of unsecured protected health information;
- provide you with certain rights with respect to your protected health information;
- provide you with a copy of this Notice of our legal duties and privacy practices with respect to your protected health information; and
- follow the terms of the Notice that is currently in effect.

## How We May Use and Disclose Your Protected Health Information

We may use or disclose your protected health information in certain situations without your permission.

The main reasons for which we may use and may disclose your Protected Health Insurance are to evaluate and process any requests for coverage and claims for benefits. Your Protected Health Information (PHI) may be used:

**For Treatment.** We may use or disclose your protected health information to facilitate medical treatment or services by providers. We may disclose medical information about you to providers, including doctors, nurses, technicians, medical students, or other hospital personnel who are involved in taking care of you.

**For Payment.** We may use or disclose your protected health information to determine your eligibility for Plan benefits, to facilitate payment for the treatment and services you receive from health care providers, to determine benefit responsibility under the Plan, or to coordinate Plan coverage. For example, we may share your protected health information with health care provider in connection with the payment of health claims or to another health plan to coordinate benefit payments.

**For Health Care Operations.** We may use and disclose your protected health information for plan operations. For example, we may use medical information in connection with conducting quality assessment and improvement activities; underwriting, premium rating, and other activities relating to Plan coverage; submitting claims for stop-loss (or excess-loss) coverage; conducting or arranging for

medical review, legal services, audit services, and fraud & abuse detection programs; business planning and development such as cost management; and business management and general Plan administrative activities. If medical information is used for underwriting, genetic information may not and will not be used or disclosed for this purpose.

**To Business Associates.** We may contract with individuals or entities known as Business Associates to perform various functions on our behalf or to provide certain types of services. In order to perform these functions or to provide these services, Business Associates will receive, create, maintain, use and/or disclose your protected health information, but only after they agree in writing with us to follow appropriate safeguards regarding your protected health information. For example, we may disclose your protected health information to a Business Associate to administer claims or to provide support services, such as utilization management, pharmacy benefit management or subrogation, but only after the Business Associate enters into a Business Associate contract with us.

**As Required by Law.** We will disclose your protected health information when required to do so by federal, state or local law. For example, we may disclose your protected health information when required by national security laws or public health disclosure laws.

**To Avert a Serious Threat to Health or Safety.** We may use and disclose your protected health information when necessary to prevent a serious threat to your health and safety, or the health and safety of the public or another person. Any disclosure, however, would only be to someone able to help prevent the threat. For example, we may disclose your protected health information in a proceeding regarding the licensure of a physician.

**To Plan Sponsors.** We may disclose protected health information to certain employees of the Employer so that they can administer the plan. Those employees will only use or disclose PHI as needed to perform plan administration functions or as otherwise required by HIPAA, unless you have specifically authorized other disclosures. Your protected health information cannot be used for employment purposes without your specific authorization.

## Special Situations

It is also possible that we may use and disclose your protected health information in these situations:

**Organ and Tissue Donation.** If you are an organ donor, we may release your protected health information to organizations that handle organ procurement or organ, eye, or tissue transplantation or to an organ donation bank, as necessary to facilitate organ or tissue donation and transplantation.

**Military and Veterans.** If you are a member of the armed forces, we may release your protected health information as required by military command authorities. We may also release protected health information about foreign military personnel to the appropriate foreign military authority.

**Workers' Compensation.** We may release your protected health information for workers' compensation or similar programs.

**Public Health Risks.** We may disclose your protected health information for public health actions. These actions generally would be:

- to prevent or control disease, injury, or disability;
- to report births and deaths;
- to report child abuse or neglect;
- to report reactions to medications or problems with products;
- to notify people of recalls of products they may be using;
- to notify a person who may have been exposed to a disease or may be at risk for contracting or
- spreading a disease or condition;
- to notify the appropriate government authority if we believe that a patient has been the victim of abuse, neglect, or domestic violence. We will only make this disclosure if you agree, or when required or authorized by law.

**Health Oversight Activities.** We may disclose your protected health information to a health oversight agency for activities authorized by law. These oversight activities might include audits, investigations, inspections, and licensure. These activities are necessary for the government to monitor the health care system, government programs, and compliance with civil rights laws.

**Lawsuits and Disputes.** If you are involved in a lawsuit or a dispute, we may disclose your protected health information in response to a court or administrative order. We may also disclose your protected health information in response to a subpoena, discovery request, or other lawful process by someone else involved in the dispute, but only if efforts have been made to tell you about the request or to obtain an order protecting the information requested.

**Law Enforcement.** We may disclose your protected health information if asked to do so by a law enforcement official:

- in response to a court order, subpoena, warrant, summons or similar process;
- to identify or locate a suspect, fugitive, material witness, or missing person;
- about the victim of a crime if, under certain limited circumstances, we are unable to obtain the victim's agreement;
- about a death that we believe may be the result of criminal conduct; and
- about criminal conduct.

**Coroners, Medical Examiners and Funeral Directors.** We may release protected health information to a coroner or medical examiner. This may be necessary, for example, to identify a deceased person or determine the cause of death. We may also release medical information about patients to funeral directors, as necessary to carry out their duties.

**National Security and Intelligence Activities.** We may release your protected health information to authorized federal officials for intelligence, counterintelligence, and other national security activities authorized by law.

**Research.** We may disclose your protected health information to researchers when:

- the individual identifiers have been removed; or
- when an institutional review board or privacy board has reviewed the research proposal and established protocols to ensure the privacy of the requested information, and approves the research.

## Required Disclosures

We are required to make disclosures of your protected health information in these situations:

**Government Audits.** We must disclose your protected health information to the Secretary of the United States Department of Health and Human Services when the Secretary is investigating or determining our compliance with the HIPAA privacy rule.

**Disclosures to You.** If you request, we must disclose to you the portion of your protected health information that contains medical records, billing records, and any other records used to make decisions regarding your health care benefits. If you request, we also must provide you with an accounting of most disclosures of your protected health information if the disclosure was for reasons other than for payment, treatment, or health care operations, and if the protected health information was not disclosed due to your specific authorization.

## Other Disclosures

**Personal Representatives.** We will disclose your protected health information to individuals authorized by you, or to an individual designated as your personal representative, attorney-in-fact, etc., if you provide us with a written notice/authorization and any supporting documents (i.e., power of attorney). Note: Under the HIPAA privacy rule, we do not have to disclose information to a personal representative if we have a reasonable belief that:

- you have been, or may be, subjected to domestic violence, abuse or neglect by such person; or
- treating such person as your personal representative could endanger you; and
- in the exercise of professional judgment, it is not in your best interest to treat the person as your personal representative.

**Spouses and Other Family Members.** With only limited exceptions, we will send all mail to the employee. This includes mail relating to the employee's spouse and other family members who are covered under the Plan, and includes mail with information on the use of Plan benefits by the employee's spouse and other family members and information on the denial of any Plan benefits to the employee's spouse and other family members. If a person covered under the Plan has requested Restrictions or Confidential Communications (see below under "Your Rights"), and if we have agreed to the request, we will send mail as provided by the request for Restrictions or Confidential Communications.

**Authorizations.** Other uses or disclosures of your protected health information, including but not limited to psychotherapy notes, most marketing purposes and any disclosures that constitute a sale of PHI, will only be made with your written authorization. You may revoke written authorization at any time, but the revocation must be in writing. Once we receive your written revocation, it will only be effective for future uses and disclosures. It will not be effective for any information that may have been used or disclosed based on the written authorization you provided before we received the revocation.

## Your Rights

You have the following rights with respect to your protected health information:

**Right to Inspect and Copy.** You have the right to inspect and copy certain protected health information that may be used to make decisions about your health care benefits. To inspect and copy your protected health information, you must submit your request in

writing to the Employer Contact listed at the end of this Notice. If you request a copy of the information, we may charge a reasonable fee for the costs of copying, mailing, or other supplies associated with your request.

We may deny your request to inspect and copy in certain very limited circumstances. If you are denied access to your medical information, you may request that the denial be reviewed by submitting a written request to the Employer Contact listed at the end of this Notice.

**Right to Amend.** If you feel that the protected health information we have about you is incorrect or incomplete, you may ask us to amend the information. You have the right to request an amendment for as long as the information is kept by or for the Plan. To request an amendment, your request must be made in writing and submitted to the Employer Contact listed at the end of this Notice. You must provide a reason why and in what respect you believe your record is incorrect.

We may deny your request for an amendment if it is not in writing or does not include a reason to support the request. In addition, we may deny your request if you ask us to amend information that:

- is not part of the medical information kept by or for the Plan;
- was not created by us, unless the person or entity that created the information is no longer available to make the amendment;
- is not part of the information that you would be permitted to inspect and copy; or
- is already accurate and complete.

If we deny your request, you have the right to file a statement of disagreement with us and any future disclosures of the disputed information will include your statement.

**Right to an Accounting of Disclosures.** You have the right to request an "accounting" of certain disclosures of your protected health information. The accounting will not include (1) disclosures for purposes of treatment, payment, or health care operations; (2) disclosures made to you; (3) disclosures made pursuant to your authorization; (4) disclosures made to friends or family in your presence or because of an emergency; (5) disclosures for national security purposes; and (6) disclosures incidental to otherwise permissible disclosures.

To request this list or accounting of disclosures, you must submit your request in writing to the Employer Contact listed at the end of this Notice. Your request must state a time period of no more than six years.

Your request should indicate in what form you want the list (for example, paper or electronic). The first list you request within a 12-month period will be provided free of charge. For additional lists, we may charge you for the costs of providing the list. We will notify you of the cost involved and you may choose to withdraw or modify your request at that time before any costs are incurred.

**Right to Request Restrictions.** You have the right to request a restriction or limitation on your protected health information that we use or disclose for treatment, payment, or health care operations. You also have the right to request a limit on your protected health information that we disclose to someone who is involved in your care or the payment for your care, such as a family member or friend. For example, you could ask that we not use or disclose information about a surgery that you had. However, if we do agree to the request, we will honor the restriction until you revoke it or we notify you.

We will always comply with a restriction request if the protected health information pertains solely to a health care item or service for which the health care provider involved has been paid out-of-pocket in full and the use or disclosure is for payment or health care operations.

To request restrictions, you must make your request in writing to the Employer Contact listed at the end of this Notice. In your request, you must tell us (1) what information you want to limit; (2) whether you want to limit our use, disclosure, or both; and (3) to whom you want the limits to apply—for example, disclosures to your spouse.

**Right to Request Confidential Communications.** You have the right to request that we communicate with you about medical matters in a certain way or at a certain location. For example, you can ask that we only contact you at work or by mail. To request confidential communications, you must make your request in writing to the Employer Contact listed at the end of this Notice. We will not ask you the reason for your request. Your request must specify how or where you wish to be contacted. We will accommodate all reasonable requests if you clearly provide information that the disclosure of all or part of your protected information could endanger you.

**Right to Be Notified of a Breach.** You have the right to be notified in the event that we (or a Business Associate) discover a breach of unsecured protected health information.

**Right to a Paper Copy of This Notice.** You have the right to a paper copy of this notice. You may ask us to give you a copy of this notice at any time. Even if you have agreed to receive this notice electronically, you are still entitled to a paper copy of this notice. You may obtain a copy of this notice on myNabors.com. To obtain a paper copy of this notice, contact the Benefits Department at BenefitsHelp@Nabors.com

## Complaints

If you believe that your privacy rights have been violated, you may file a complaint with the Plan or with the Office for Civil Rights of the United States Department of Health and Human Services.

To file a complaint with the Plan, contact Deanna Walls, Benefits Manager, 515 West Greens Road, Suite 1200, Houston, TX 77067. All complaints must be submitted in writing.

You will not be penalized, or in any other way retaliated against, for filing a complaint with the Office for Civil Rights or with us.

We may change the terms of this Notice and make new provisions regarding your protected health information that we maintain, as allowed or required by law. If we make any significant change to this Notice, we will provide you with a copy of our revised Notice of Privacy Practices by posting to myNabors.Com or by mail within 60 days after the change.

## Affordable Care Act

The Affordable Care Act (ACA) requires Nabors Industries to provide all plan participants with the following notices:

**Marketplace Exchange Notice:** The Marketplace Exchange Notice provides basic information about the individual health plans that will be available through public (state or federal) exchanges (also referred to as marketplaces) beginning in 2014. The Marketplaces were available for Open Enrollment on October 1, 2013. Beginning in 2014, the ACA includes a mandate for most individuals to have health insurance or potentially pay a penalty for non-compliance. Coverage may be obtained either through an employer or through the exchanges. If you are eligible for a Nabors Industries group health plan you do not need to take any action at this time in regards to the exchanges. If you are not eligible for a Nabors Industries group health plan, you may access the plans available in the Marketplace Exchange in your state at [www.HealthCare.gov](http://www.HealthCare.gov). For questions, call 1-800-318-2596 or visit [www.HealthCare.gov](http://www.HealthCare.gov).

**Updated Notice of Privacy Practices:** The Nabors Industries revised Notice of Privacy Practices is effective September 16, 2013. Please read through the notice carefully (see the enclosure titled, "For Your Information") as it describes how medical information about you may be used and disclosed as well as how you can get access to this information. If you have any questions about either of these notices, please contact the Benefits Department at 1-866-266-9040 or via email at [benefitshelp@nabors.com](mailto:benefitshelp@nabors.com).

**Employer Contact:**  
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**Vice President, Human Resources**  
**Nabors Corporate Services**  
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