

MERCER

Health & Benefits

Roy Gonella
Chief Operating Officer
Mercer Health & Benefits
12257th Street
Suite 2200
Denver, CO 80202

January 9, 2007

New York State Consumer Protection Board
5 Empire State Plaza, Suite 2101
Albany, New York 12223

Dear Consumer Protection Board:

I am writing to inform you about a possible data security breach. Mercer Health & Benefits, LLC has taken prompt action to investigate the suspected breach and notify the 10,500 affected individuals. The attached notification letter will be sent by mail to affected individuals on January 12, 2007. The notification provides affected individuals with details of the possible breach, a toll-free telephone number to contact with any questions, and offers a variety of protective services at no charge to affected individuals.

Please feel free to contact me should you have any questions or concerns.

Sincerely,



Roy Gonella
Chief Operating Officer
Mercer Health and Benefits

December XX, 2006
[Client]

Dear John Doe (to be individualized):

I am writing to inform you about a possible data security breach that may affect you. Mercer Health & Benefits LLC provides benefit consulting services for [Client]. A laptop computer containing [data description] that was in our possession was stolen from a locked vehicle. To date, the laptop has not been located. We have determined that your personal information may have been on it. Both [Client] and Mercer Health & Benefits deeply regret this incident.

We take privacy and security measures very seriously. We have investigated this matter and we reported this matter to law enforcement authorities. We do not have any evidence that your information has been accessed or misused in any way. Similarly, neither [Client's] nor Mercer Health & Benefits' systems have been compromised in any way. However, because your personal information may have been on the laptop, we have taken the precaution of arranging for a suite of protective services to be available at no cost to you.

We are providing you with access to ID TheftSmart™ Enhanced Identity Theft Restoration, Continuous Credit Monitoring and a Trimerged Credit Report at no cost to you.

ID TheftSmart is one of the most comprehensive programs available to help protect your name and credit against identity theft. We urge you to take the time to read about the safeguards now available to you.

If you have questions or feel you may have an identity theft issue please call ID TheftSmart member services at 1-800-588-9839 between 8:00 a.m. and 5:00 p.m. (Central Time), Monday through Friday.

Since this incident, we have taken steps to help ensure that this issue will not occur again by, among other things, reinforcing and modifying our security policies and procedures. We are committed to protecting all of the information that is entrusted to us. Please accept our sincerest apologies. If you have any other questions, please call the number listed above.

Sincerely,

Christopher J. Watts
Principal

CW::