

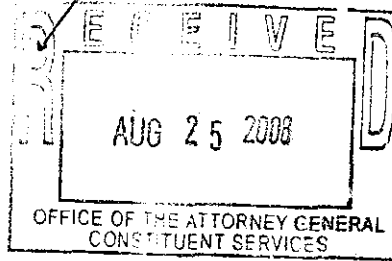
*Mane
Trust*



Acadia Insurance Company
Continental Western Insurance Company
Firemen's Insurance Company of Washington, D.C.
Union Insurance Company
Union Standard Lloyds

August 20, 2008

VIA US CERTIFIED MAIL



Office of the Attorney General
900 East Main Street
Richmond, VA 23219

Re: Data security breach at Union Insurance Company ("UIC")

Dear Attorney General:

We are writing to notify you of a data security breach and an unauthorized acquisition of personal information involving approximately two Virginia residents. UIC is an insurance company, providing property and casualty insurance coverage. We collect and store personal information about individuals to the extent necessary in connection with our property and casualty insurance products.

NATURE OF THE SECURITY BREACH AND UNAUTHORIZED ACQUISITION OF PERSONAL INFORMATION

As of the date of this letter, we have determined that recently certain personal information of two Virginia residents, stored in electronic form, was stolen from UIC's office in Irving, Texas. The information included names, social security numbers and/or driver's license number of certain individuals, including two Virginia residents. We took precautions designed to protect the security of this sensitive data by securing it with user identification and password protections necessary to access the data files. Further, the data files were not stored in a format that is easily readable or accessible by a person without specialized knowledge of the means by which these data files can be read.

NUMBER OF VIRGINIA RESIDENTS AFFECTED

As of this date, we have determined that two individuals residing in Virginia were affected by the data security breach. These Virginia residents will receive notice by mail as soon as practicable. A copy of the form of notification which UIC will send to the affected Virginia residents is attached to this letter. We have no evidence at this time that the personal information of the affected Virginia residents has been used for fraudulent or other unlawful purposes.

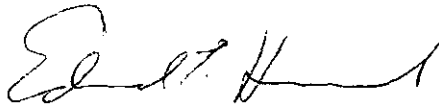
P.O. Box 152180, Irving, TX 75015-2180
122 W. Carpenter Fwy Suite 350
Irving, TX 75039-2049
972-719-2400

STEPS UIC HAS TAKEN AND PLANS TO TAKE RELATING TO THE INCIDENT

After learning of the incident, we promptly contacted the law enforcement authorities, the Irving Texas Police Department, and are working with them to regain possession of our stolen property. At this time, we do not believe that any information has been misused.

If you have any questions or need further information regarding this incident, please contact Edmund P. Hemmerick at UIC at 1-800-284-0049.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edmund P. Hemmerick", written over a horizontal line.

Union Insurance Company

Attachment



August 20, 2008

COPY

Acadia Insurance Company
Continental Western Insurance Company
Firemen's Insurance Company of Washington, D.C.
Union Insurance Company
Union Standard Lloyds

Re: An Important Message Concerning Your Personal Information

Dear [_____]:

We are writing to inform you of a recent incident that occurred at Union Insurance Company ("UIC"). As of this date, we have determined that certain personal information in electronic form, which may have included your name and/or social security number and/or driver's license number was stolen from UIC. We promptly contacted the law enforcement authority in Irving, Texas and are working with them to attempt to regain possession of our stolen property. At this time, we do not believe that any information about you has been misused. In fact, we took precautions designed to protect the security of this sensitive data. For this reason, this information was secured with user identification and password protections necessary to access the data files. Further, the data files were not stored in a format that is easily readable or accessible by a person without specialized knowledge of the means by which these data files can be read. Nevertheless, we wanted to notify you of this incident and inform you of the steps we suggest you should take to protect yourself against any possible identity theft or similar misuse of your information that may have been stolen. These steps are set forth below and also in the enclosed one-page guide for Privacy Protection Recommendations prepared by the California Office of Privacy Protection, which we believe are useful even if you are not a California resident.

Because your social security number may have been involved, we recommend that you place a fraud alert on your credit files maintained by the three major credit reporting agencies. A fraud alert requires potential creditors to use what the law refers to as "reasonable policies and procedures" to verify your identity before issuing credit in your name. A fraud alert implemented by a credit reporting agency lasts for 90 calendar days. To establish such a fraud alert, just call or write to one of the three major credit reporting agencies at a number or address below. This will let you automatically place a fraud alert with all three of the credit reporting agencies. You should receive letters from all three agencies confirming the establishment of the fraud alert and letting you know how to get a free copy of your credit report from each of them.

Equifax 1-800-525-6285
P.O. Box 740241
Atlanta, GA 30374

Experian 1-888-397-3742
P.O. Box 2104
Allen, TX 75013

TransUnion 1-800-680-7289
P.O. Box 6790
Fullerton, CA 92834

P.O. Box 152180, Irving, TX 75015-2180
122 W. Carpenter Fwy Suite 350
Irving, TX 75039-2049
972-719-2400

Also, you can order your credits reports from the three credit reporting agencies for free by calling 1-877-322-8228 or going to www.annualcreditreport.com.

When you receive your credit reports, examine them very carefully. Look for accounts you did not open or of which you have no knowledge. Look for inquiries from creditors that you did not initiate or do not recognize. And look for personal information, such as home address and social security number, that is not accurate. If you see anything you do not understand or that looks suspicious, call the credit reporting agency at the telephone number on the report.

If you do find suspicious activity on any of your credit reports, call your local police or sheriff 's office and file a police report of identity theft. Get a copy of the police report. You may also contact the Irving, Texas Police Department and reference case number 08-20280 to obtain a copy of the police report for the UIC data security breach. The Irving, Texas Police Department's Records Section is located at 5992 Riverside Drive, Irving, Texas 75038. They may also be reached by telephone at 972-721-7803; or by fax at 972-721-7838. You may need to give copies of your police report to credit reporting agencies to correct your credit report records.

Even if you do not find any signs of fraud on your credit reports, we recommend that you check your credit reports periodically.

To prevent similar incidents from occurring in the future, we are implementing additional internal controls and procedures regarding the protection against unauthorized access of electronic personal information we maintain.

Please remember to remain vigilant to protect yourself against incidents of fraud and identity theft by reviewing your account statements and credit reports. If there is anything that we can do to assist you, please call us at 1-800-284-0049, or write to us at P.O. Box 152180, Irving, Texas 75015-2180. We will be happy to discuss with you the types of information we maintain about you, and address any other concerns regarding this matter that you may have.

We apologize for this necessity to warn you and will continue to work diligently to protect the personal information which we maintain.

Very truly yours,

[Union Insurance Company]
Edmund P. Hemmerick



Privacy Protection Recommendations

What to Do If Your Personal Information Is Compromised

Contact the three credit bureaus.

- 1** You can report the potential identity theft to all three of the major credit bureaus by calling any one of the toll-free fraud numbers below. You will reach an automated telephone system that allows you to flag your file with a fraud alert at all three bureaus. You will also be sent instructions on how to get a copy of your report from each of the credit bureaus. As a possible victim of identity theft, you will not be charged for these copies.

Trans Union 1-800-680-7289 Experian 1-888-397-3742 Equifax 1-800-525-6285

What it means to put a fraud alert on your credit file.

- 2** A fraud alert helps protect you against the possibility of an identity thief opening new credit accounts in your name. When a merchant checks the credit history of someone applying for credit, the merchant gets a notice that there may be fraud on the account. This alerts the merchant to take steps to verify the identity of the applicant.

Review your credit reports. Look through each one carefully.

- 3** Look for accounts you don't recognize, especially accounts opened recently. Look in the inquiries section for names of creditors from whom you haven't requested credit. Some companies bill under names other than their store names. The credit bureau will be able to tell you when that is the case. You may find some inquiries identified as "promotional." These occur when a company has obtained your name and address from a credit bureau to send you an offer of credit. Promotional inquiries are not signs of fraud. (You are automatically removed from lists to receive unsolicited offers of this kind when you place a fraud alert.) Also, as a general precaution, look in the personal information section for any address listed for you where you've never lived.

If you find items you don't understand on your report, call the credit bureau at the number on the report.

- 4** Credit bureau staff will review your report with you. If the information can't be explained, then you will need to call the creditors involved and report the crime to your local police or sheriff's office. For more information on what to do in this case, visit the California Office of Privacy Protection's Web site at www.privacy.ca.gov, and go to the Identity Theft page.