

**North Carolina Security Breach Reporting Form
Pursuant to the Identity Theft Protection Act of 2005**

Name of Business Owning or Licensing Information Affected by the Breach: Nationwide Insurance Company
Address: One Nationwide Plaza, Columbus, Ohio 43215
Telephone: (614) 249-4420
Fax: (614) 677-2285
Email: HerathK@Nationwide.com

PLEASE SUBMIT FORM TO:
Consumer Protection Division
NC Attorney General's Office
9001 Mail Service Center
Raleigh, NC 27699-9001
Telephone: (919) 716-6000
Toll Free in NC: (877) 566-7226
FAX: (919) 716-6050

Date Security Breach Reporting Form submitted: August 16, 2007

Date the Security Breach was discovered: May 22, 2007

Estimated number of affected individuals: 140

Estimated number of NC residents affected: 34

Name of business maintaining or possessing information that was the subject of the Security Breach, if the business that experienced the Security Breach is not the same entity as the business reporting the Security Breach (pursuant to N.C.G.S. § 75-65(b)): Same

Describe the circumstances surrounding the Security Breach and state whether the information breached was in electronic or paper format: A laptop computer was stolen from the car of a Nationwide Claims Representative. The laptop contained the personal information of approximately 140 individuals. It is estimated that 34 of these individuals were NC residents. Nationwide will be sending affected individuals one of three letters depending on their relationship with Nationwide. The individuals affected are either policyholders, claimants or individuals whose information was on the laptop incidental to a fraud investigation involving a Nationwide customer. All three letters have been attached. The information compromised included names, social security numbers and/or driver's license numbers. Upon discovery, the theft was immediately reported to the Nassau Police Department, third precinct. Shortly thereafter, Nationwide's Information Security Department and Legal Counsel began an investigation. Nationwide has identified the individuals affected. Nationwide will notify all affected individuals and will offer them a free credit monitoring service for one year and up to \$20,000 Identity Fraud Expense Coverage.

Regarding electronic information breached, state whether the information breached or potentially breached was password protected or encrypted in some manner. Yes. If so, please describe the security measures protecting the information: The laptop was protected by a unique user id and a strong password.

Describe any measures taken to prevent a similar Security Breach from occurring in the future: Nationwide is strengthening its security by encrypting all Nationwide associate laptops. Nationwide has also enhanced our online and offline employee privacy and information security training, developed additional communications regarding information security and privacy, specifically addressing laptop handling and breach reporting, and communicated such materials via e-mail. Recently, Nationwide has started advising claims representatives to remove the Nationwide magnets from their vehicles to avoid drawing attention to the vehicle and the fact that it may contain valuable equipment.

Date affected NC residents were/will be notified: August 16, 2007

If there has been any delay in notifying affected NC residents, describe the circumstances surrounding the delay pursuant to N.C.G.S. § 75-65(a) and (c): Upon discovery, the laptop theft was immediately reported to the Nassau police department, third precinct. Shortly thereafter, Nationwide's Information Security department and

Legal Counsel began an investigation to determine the types of information contained on the laptop and to identify the individuals affected. Nationwide utilized a contractor to conduct the research to identify the individuals and the types of information affected. However, the contractor did not correctly perform the research and it had to be redone. Additionally, the individual whose laptop was stolen was a member of our Special Investigative Unit and he was actively involved in fraud investigations related to rate evasion. As part of these investigations, Nationwide obtained comprehensive reports on an individual who was suspected of fraud. The suspected fraudster was alleged to have resided in an apartment, so Nationwide requested information from an information bureau on the resident of that apartment. The information bureaus provide information based on both exact and close matches and, as a result, Nationwide received information on all current and former residents of that specific apartment. This information was contained on the stolen laptop. Thus, we had to determine whose information was contained on the laptop incidental to the fraud investigation and then obtain all current addresses of these individuals. Nationwide is confident that we were able to identify all personal information contained on the laptop and identify all individuals affected. All of these individuals will be offered credit monitoring.

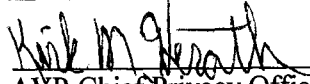
If the delay was pursuant to a request from law enforcement pursuant to N.C.G.S. § 75-65(c), please include the written request or the contemporaneous memorandum.

How NC residents were/will be notified?
(pursuant to N.C.G.S. § 75-65(e))

- written notice
 electronic notice (email)
 telephone notice
 substitute notice

Please attach copy of the notice if in written form or a copy of any scripted notice if in telephonic form.

Signature:



Date: August 15, 2007

Contact Person, Title: AVP-Chief Privacy Officer, Associate General Counsel

Address:

(if different from above)

Telephone: (614) 249-4420

Fax: (614) 677-2285

Email: HerathK@nationwide.com



Nationwide®
On Your Side

July XX, 2007

«First_Name» «Last_Name»
«Address_1»
«Address_2», «State» «Postal_Code»

Dear«First_Name» «Last_Name»

You are a valued policyholder of Nationwide Mutual Insurance Company. You recently had a claim with Nationwide in which claims-related data, including your social security number and driver's license number, were stored on a password-protected laptop computer that was stolen. News of this nature can be unsettling and we want to provide as much information as possible.

The Incident

In May, the vehicle of a Nationwide claims associate was burglarized in Woodbury, NY. The thief stole a laptop computer, which likely contained personal information such as your name, address, Social Security Number, driver's license number and birth date. It is important to note that the laptop computer was ID and password protected, which would deter the thief from accessing any information. Upon discovery, the associate immediately reported the burglary to local authorities. Nationwide is now working with the Nassau County Police Department regarding this matter. The evidence indicates that the thief's objective was to steal valuable office equipment, rather than the data contained on the laptop.

We Plan to Help

We take privacy and security very seriously. While we believe there is an extremely low risk of personal information being misused, we are offering you a free credit-monitoring service for one year. To request the credit monitoring service, please see the enrollment instructions on the next page. If you elect this service, offered through our partnership with Equifax, it will provide you with a notification of any changes to your credit information, \$20,000 Identity Fraud Expense Coverage and access to your credit report.

How to Reach Us for More Information

We sincerely apologize for any inconvenience that this may cause you. We very much regret that this situation occurred. Your confidence in our ability to safeguard your personal information and your peace of mind are very important to us.

Please feel free to call Penny Lonsway at 315-453-3315, Monday through Friday from 8 a.m. to 4:15 p.m. Eastern time. We'll be happy to assist you with any questions.

Sincerely,

Paul Silvia, CPCU
Casualty Claims Director
Nationwide Mutual Insurance Company

Resources for Credit Protection

PE #20070522-002

About the service offered by Nationwide, through our partnership with Equifax Personal Solutions, at no charge to you.

Equifax Credit Watch™ Gold 3-in-1 Monitoring

Credit Watch will provide you with an “early warning system” to identify changes to your credit file and help you to understand the content of your credit file at Equifax. The key features and benefits are listed below.

Equifax Credit Watch Gold with 3-in-1 Monitoring provides you with a one-year membership service, which includes:

- Comprehensive credit file monitoring, with daily notification of key changes to your Equifax, Experian and TransUnion credit files.
- Wireless alerts and customizable alerts available
- Credit Reports
 - Phone Enrollment: you’ll receive one copy of your 3-in-1 Credit Report™ and quarterly updates by U.S. mail
 - Online Enrollment: you’ll receive one copy of your 3-in-1 Credit Report™ and unlimited copies of your Equifax Credit Report™
- Up to \$20,000 Identity Fraud Expense Coverage with \$0 deductible (certain limitations and exclusions apply[†]) at no additional cost to you.
- 24 hours a day, seven days a week live agent Customer Service to help you understand the content of your credit information, to provide personalized identity theft victim assistance and in initiating an investigation of inaccurate information.

How to enroll online

Equifax has a simple Internet-based verification and enrollment process. To enroll, go to www.myservices.equifax.com/tri, and follow these steps:

1. Consumer Information: Complete the form with your contact information (name, address and e-mail address) and click the “Continue” button. The information is provided in a secured environment.
2. Identity Verification: Complete the form with your Social Security Number, Date of Birth, telephone #'s, create a User Name and Password, agree to the Terms of Use and click the “Continue” button. The system will ask you a few security questions to verify your identity.
3. Payment Information: During the “check out” process, provide the following Promotional Code: **ENTER PROMOTIONAL CODE HERE** in the “Enter Promotion Code” box. (Case sensitive; include the dash, no spaces before or after the code.) After entering your code, press the “Apply Code” button and then the “Submit Order” button at the bottom of the page. This code eliminates the need to provide a credit card number for payment.
4. Order Confirmation: Click “View my Product” to access your Equifax Credit Report.

How to enroll by phone

If you do not have Internet access, you can apply for the US Mail delivery of the product by dialing 1-866-937-8432 for access to the Equifax Credit Watch automated enrollment process. Note that all credit reports and alerts will be sent to you via US Mail only.

1. Promotion Code: You will be asked to enter your promotion code as shown above (no spaces, **no dash**)

2. **Customer Information:** You will be asked to enter your home telephone number, home address, name, date of birth and Social Security Number.
3. **Permissible Purpose:** You will be asked to provide Equifax with your permission to access your credit file and to monitor your file. Without your agreement, Equifax can not process your enrollment.
4. **Order Confirmation:** Equifax will provide a confirmation number with an explanation that you will receive your Fulfillment Kit via the US Mail (when Equifax is able to verify your identity) or a Customer Care letter with further instructions (if your identity can not be verified using the information provided).

Fraud Alert

A fraud alert is a consumer statement added to your credit file that lasts 90 days. Once the fraud alert statement is added to your credit file, it alerts creditors of possible fraudulent activity as well as requests that they contact you prior to establishing a credit account in your name. To place a fraud alert on your Equifax credit file, you may contact Equifax's automatic fraud line at 877-478-7625, and follow the simple prompts. Once the fraud alert has been placed with Equifax, a notification will be sent to the other two credit reporting agencies, Experian and TransUnion, on your behalf.

Additional Resources for Credit Protection

We would like to make you aware that there are additional resources available to help protect your personal information. You can request a free copy of your credit report once every 12 months from each of the three major consumer-reporting agencies: Equifax, Experian and TransUnion.

These agencies also offer a free fraud alert, which alerts a person when credit is applied for in his or her name and signals creditors to contact a person for permission to issue credit in his or her name. You only need to contact one agency to have a fraud alert take effect with all three agencies.

To place a fraud alert on your credit or to request a free copy of your credit report, simply contact one of the following agencies:

- **Equifax:** 877-478-7625 or www.equifax.com
- **Experian:** 888-397-3742 or www.experian.com
- **TransUnion:** 800-680-7289 or www.transunion.com

† Identity Fraud Expense Reimbursement Master Policy underwritten by Travelers Casualty and Surety Company of America and its property casualty affiliates, Hartford, CT 06183. Coverage for all claims or losses depends on actual policy provisions. Availability of coverage can depend on our underwriting qualifications and state regulations. Coverage not available for residents of New York. Equifax's credit monitoring products are protected by US Patent 7,208,052