

P. Todd Cioni, Vice President
Chief Compliance & Ethics Officer
Chief Privacy Officer

CareFirst BlueCross BlueShield
1501 S. Clinton Street
Baltimore, MD 21224
Tel. 410.528.7170
Fax 410.528.7190



OFFICE
2010 SEP 23 P 3:50
GENERAL

September 21, 2010

The Honorable Douglas F. Gansler
Attorney General, State of Maryland
Attn: Security Breach Notification
200 St. Paul Place
Baltimore, MD 21202

Re: Reporting of Security Incident

Dear Attorney General Gansler:

As required by Maryland Code § 14-3501 et seq., CareFirst is notifying you about an unauthorized access or use of personal information involving approximately 182 Maryland residents.

On July 9, 2010, CareFirst began capturing the Social Security Number ("SSN") of all agents writing Consumer Direct business ("Writing Agents") to ensure correct payment of commissions. Due to a programming error, the SSN of the Writing Agent was visible on the application through the contracted broker's portal and *may have been* viewed by the individual applicant. On August 6, 2010, a broker notified CareFirst that some of the broker/agent's individually identifiable information captured on the application was visible to the applicant.

Based on the broker's notification, CareFirst researched the issue and identified the programming error. On August 20, 2010, the programming error was corrected so that a SSN of a Writing Agent is not visible on the application when viewed by the applicant on the broker's portal. Further, our investigation determined that the only individuals who could possibly have viewed the Writing Agent's SSN are the applicants who applied through that Writing Agent for CareFirst health care coverage between July 9, 2010 and August 20, 2010.

At this time, CareFirst has no evidence that the information was misused. We have included a copy of the notification letter(s) being sent to the affected brokers.

Please do not hesitate to contact me, if you have any questions about this incident.

Sincerely,

A handwritten signature in black ink that reads "P. Todd Cioni". The signature is written in a cursive style with a large, sweeping "P" and "C".

P. Todd Cioni



[Date]

[Name]

[Address]

[City, State Zip]

Dear Broker/Agent,

The Privacy Office at CareFirst BlueCross BlueShield (CareFirst) recently received notification of a potential exposure of your individually identifiable information via the iStore online application process.

On July 9, 2010 CareFirst began capturing the Tax Identification Number and/or the Social Security Number of all agents writing Consumer Direct business to ensure correct payment of commissions. The Contracted Broker, Sub Agent/Sub-Agency and Writing Agent's information automatically populates on the application when registered properly through the contracted broker's portal.

On August 6, 2010 a Broker notified CareFirst that some of the broker/agent's individually identifiable information captured on the application was visible to the applicant. In researching the issue CareFirst identified that while the Contracted Broker and Sub Agent/Sub-Agency's information was masked the applicant was able to view the Writing Agent's information. Working to correctly mask the Writing Agent's information CareFirst implemented a fix to the issue on August 20, 2010.

CareFirst has no evidence at this time that the information visible to the applicant was misused. We are notifying you of this incident because your Tax Identification Number was exposed on the applications submitted electronically with you as the Writing Agent between July 9, 2010 and August 20, 2010.

To serve as your principal point of contact and answer any questions or concerns you may have, CareFirst has contracted with ID Experts®, a company that specializes in identity theft protection and fraud resolution. Representatives from ID Experts are available Monday through Friday, 9 AM to 9 PM (EST). ID Experts will address any questions you may have regarding this event and provide you with assistance with protecting your personal information. ID Experts can be reached at 1-877-276-6840.

CareFirst takes its responsibility to protect your information very seriously, and sincerely regrets the potential exposure of your data. We know that you entrust us to protect your information, and we are committed to preventing this type of situation from occurring again.

We sincerely regret any inconvenience or concern that this matter may have caused you.

Sincerely,

P. Todd Cioni, Vice President
Chief Privacy, Compliance & Ethics Officer

Recommended Steps

Maryland law requires that we include the following information to assist affected individuals in events such as this. Please note that the credit monitoring services are related to your social security number, not the tax identification number. Credit monitoring services are not available for tax identification numbers. Even though your social security number was not involved in this incident you may still want to consider taking the following simple steps to prevent possible misuse of your information.

By immediately taking the following simple steps, you can help prevent your information from being misused.

1. Review your credit reports. You can receive free credit reports by placing fraud alerts. Under federal law, you also are entitled every 12 months to one free copy of your credit report from each of the three major credit reporting companies. To obtain a free annual credit report, go to www.annualcreditreport.com or call 1-877-322-8228. You may wish to stagger your requests so that you receive a free report by one of the three credit bureaus every four months.

You should also know that you have the right to file a police report if you ever experience identity fraud. Please note that in order to file a crime report or incident report with law enforcement for identity theft, you will likely need to provide some kind of proof that you have been a victim. A police report is often required to dispute fraudulent items.

2. Place Fraud Alerts with the three credit bureaus. You can place a fraud alert at one of the three major credit bureaus by phone. A fraud alert tells creditors to follow certain procedures, including contacting you, before they open any new accounts or change your existing accounts. For that reason, placing a fraud alert can protect you but also may delay you when you seek to obtain credit. The contact information for all three bureaus is as follows:

Credit Agencies

Equifax Fraud Reporting
(800) 525-6285
P.O. Box 740241
Atlanta, GA 30374-0241
www.equifax.com

Experian Fraud Reporting
(888) 397-3742
P.O. Box 9532
Allen, TX 75013
www.experian.com

TransUnion Fraud Reporting
(800) 680-7289
Fraud Victim Assistance Division
P.O. Box 6790
Fullerton, CA 92834-6790
www.transunion.com

It is necessary to contact only ONE of these bureaus and use only ONE of these methods. As soon as one of the three bureaus confirms your fraud alert, the others are notified to place alerts on their records as well. You will receive confirmation letters in the mail and will then be able to order all three credit reports, free of charge, for your review.

3. You can obtain additional information about the steps you can take to avoid identity theft from the following:

For Maryland Residents:

Office of the Attorney General of Maryland
Consumer Protection Division
200 St. Paul Place
Baltimore, MD 21202
www.oag.state.md.us/Consumer
Toll Free (888) 743-0023

For all other US Residents:

Identity Theft Clearinghouse
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580
www.consumer.gov/idtheft
(877) IDTHEFT (438-4338)
TDD: (202) 326-2502



[Date]

[Name]

[Address]

[City, State Zip]

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Recommended Steps

By immediately taking the following simple steps, you can help prevent your information from being misused.

- 1. Contact ID Experts** at 1-877-276-6840 to gain additional information about this event and to talk with knowledgeable people about appropriate steps to take to protect your credit record.
- 2. Review your credit reports.** You can receive free credit reports by placing fraud alerts. Under federal law, you also are entitled every 12 months to one free copy of your credit report from each of the three major credit reporting companies. To obtain a free annual credit report, go to www.annualcreditreport.com or call 1-877-322-8228. You may wish to stagger your requests so that you receive a free report by one of the three credit bureaus every four months.

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- 3. Place Fraud Alerts** with the three credit bureaus. You can place a fraud alert at one of the three major credit bureaus by phone or via their website. If you elect to participate in a credit monitoring service offered through ID Experts, *wait until after* you have activated the credit monitoring before placing any fraud alerts. A fraud alert tells creditors to follow certain procedures, including contacting you, before they open any new accounts or change your existing accounts. For that reason, placing a fraud alert can protect you but also may delay you when you seek to obtain credit. The contact information for all three bureaus is as follows:

Credit Agencies

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(800) 525-6285
P.O. Box 740241
Atlanta, GA 30374-0241
www.equifax.com

Experian Fraud Reporting
(888) 397-3742
P.O. Box 9532
Allen, TX 75013
www.experian.com

TransUnion Fraud Reporting
(800) 680-7289
Fraud Victim Assistance Division
P.O. Box 6790
Fullerton, CA 92834-6790
www.transunion.com

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Washington, DC 20580
www.consumer.gov/idtheft
(877) IDTHEFT (438-4338)
TDD: (202) 326-2502