

For Distribution to Brokers/Wholesalers/Administrators/DBEs Only

March 14, 2008

Private Subscriber Data Exposed through TDN Website Notification to 74,000 mailed on March 10th

MARKET: Dental HMO/The Dental Network

On February 20, 2008, CareFirst BlueCross BlueShield was informed of a data breach regarding its wholly owned subsidiary, The Dental Network (TDN). This breach accidentally exposed personal information, such as name, date of birth and Social Security numbers for approximately 74,000 TDN members. Upon learning of the exposure, the information was immediately taken offline and steps were taken to ensure the data was secure and issues related to the breach were corrected.

We have engaged legal counsel and *Identity Safeguards* – an organization specializing in managing communication and follow-up for such information security issues – and are moving expeditiously to fulfill all legal requirements regarding notification.

There is no evidence at this time that the personal information exposed online has been misused in any way. Nonetheless, we are following recognized best practices in notifying all affected members, and providing one year of free credit monitoring and other protections in the unlikely event that members experience identity fraud as a result of this event.

On Monday, March 10, 2008, letters were mailed to all 74,000 affected subscribers on TDN stationery from Portland, Oregon – the location of Identity Safeguards. The letter explained what happened, and directed recipients to either call our vendor, *Identity Safeguards*, or visit the dedicated website for additional information.

At the time of the mailing, CareFirst had limited confirmation on what groups were affected by this data breach. Subsequently we confirmed additional information regarding the groups that were affected. **You are advised to contact your group clients who offer TDN immediately to alert them of this situation.** This applies to subscribers of TDN Dental HMO products. Subscribers with CareFirst BlueChoice Discount Dental, administered by TDN, were not impacted by the data breach. Attached for your reference is a letter being mailed to group administrators.

While we expect the majority of the calls to go directly to the call center at Identity Safeguards, it is possible that you may also receive calls – particularly if this issue is reported on by the media.

If you receive calls from members who received the letter outlining this issue, please direct them to the following call center or website. The knowledgeable associates at Identity Safeguards are trained to handle data security issues like this, and are better equipped to handle member questions.

Identity Safeguards Member Hotline: (866) 879-7402 / 9 am – 9 pm Eastern Time

<http://ids.thedentalnet.org>

To assist you in addressing general questions from your clients, below are answers to several frequently asked questions.

What has happened?

On February 20, 2008, The Dental Network learned that, for approximately two weeks, access to member data on its website was left unprotected from outside exposure.

Has my personal information been stolen or compromised?

At this time, we have no evidence that anyone has used the personal information that was maintained on our website. You are only being notified because, for approximately two weeks, your personal data was accessible to the public. While such exposure does not necessarily mean that your personal information was taken, any risk – regardless of how slight – should be taken seriously.

What type of information was possibly compromised?

This data included personal information about TDN members, including name, social security number, address(es) and date of birth.

Has TDN resolved the issue that allowed this breach to occur?

Yes, upon learning of the breach, the TDN website was taken offline immediately. The data is now secure, and the issues leading to this breach have been corrected.

What is TDN doing to protect me from identity theft?

TDN is taking the following measures to mitigate this breach and to protect you from the possibility of identity theft.

1. We have engaged *Identity Safeguards*, an organization experienced in addressing such issues, to work on our behalf. Identity Safeguards are experts in this field, and they are available to address your concerns, answer your questions, and provide any additional information you may need through our member hotline at (866) 879-7402. Representatives are available to take member calls Monday – Friday, 9 am – 9 pm (Eastern Time).
2. **TDN has made arrangements to provide affected members with a one-year membership in Identity Safeguards' protection services. The membership includes 12 months of credit monitoring, as well as an insurance reimbursement component of up to \$30,000 and fraud restoration services in the unlikely event you experience identity fraud as a result of this incident. This membership and all of the included services are being provided at no cost to you by The Dental Network. To enroll with Identity Safeguards, please call our member hotline at (866) 879-7402 or visit the website described below. Please be aware that the deadline for registering with Identity Safeguards is September 1, 2008. Please note that members will need the access number that was included on the letter that was mailed to their homes.**
3. We have set up a dedicated website – <http://ids.thedentalnet.org/> - that offers a one-stop site that features answers to questions you may have, as well as online enrollment in the identity theft protection services outlined above.

Why didn't you report the loss of the data sooner?

Action was taken immediately and your personal data was secured within minutes of our learning of this breach. With any such event, it takes time to gather the relevant information, identify the affected individuals, hold the necessary internal discussions, make the appropriate decisions and line up the assistance services that are being offered.

Who should I contact if I have additional questions?

You should contact Identity Safeguards at (866) 879-7402 / 9 am – 9 pm Eastern Time.

Who is Identity Safeguards?

Identity Safeguards is the service provider for this offering, and the firm is located in Portland, Oregon. It is a national leader in identity theft protection and restoration services. For more information, go to: www.identitysafeguards.com.

What is TDN doing to prevent this kind of loss from happening again?

The Dental Network understands the impact of such a breach on its members. We have identified the source of the error and have taken the necessary measures to ensure that your data remain secure.

What is Identity Theft?

According to the United States Department of Justice, the terms *identity theft* and *identity fraud* “refer to all types of crime in which someone wrongfully obtains and uses another person’s personal data in some way that involves fraud or deception, typically for economic gain.” It is important to remember that a breach of your personal information does not mean you will experience identity theft.

How do I contact Identity Safeguards?

You can contact the firm by phone at **1-866-879-7402**. You can also read more about the services being offered to you and enroll online at <http://ids.thedentalnet.org/>.

What are the hours of the ID Safeguards member hotline?

Representatives are available to take your calls from 9 am – 9 pm, Monday through Friday, except holidays. But you are always free to enroll and read more about the services online at <http://ids.thedentalnet.org/>.

Can you tell me more about the Identity Safeguards Protection Program?

I cannot. I suggest that you either call Identity Safeguards directly at **1-866-879-7402** or visit our dedicated website at <http://ids.thedentalnet.org/>.

Should you have additional questions, please contact your Broker Sales Representative.



Shekar Subramaniam
Associate Vice President, Broker Sales



March 13, 2008

Dear [insert name],

Beginning on Wednesday, March 12, 2008, members of The Dental Network began receiving notification of a security data breach that occurred on the TDN public website. As our focus was upon meeting the strict mandates relating to member notification, those employees who are enrolled in the TDN Dental HMO product may have learned of this security breach before you were properly notified.

We recognize the difficult position this may have presented, and we deeply regret this error and any inconvenience or confusion it may have caused. As you know, it is our policy to keep our employer group clients apprised of all benefit-related issues affecting their employees. While this particular instance failed to meet that expectation, please be assured that we have taken the necessary measures to address both of these issues.

So that you fully understand the extent of the security breach and what measures we have taken to minimize any potential risk to your employees, please refer to the attached memo for further information.

Sincerely,

Account Representative

ACC1216 (3/08)

On February 20, 2008, The Dental Network (TDN) learned that, for a limited period of time, access to member data on its website was left unprotected from outside exposure. This data included personal information about you and other TDN members, including your name, social security number, address(es) and date of birth.

Please be assured that all member data is now secure and that a careful and thorough investigation into the potential risk to members has been our top priority since this was first discovered. TDN understands the value of your personal information and the potential risk that such a breach presents. So that you thoroughly understand this issue, as well as what TDN is doing to mitigate any risks, I am providing you with answers to several frequently asked questions.

While the likelihood that this breach of data will result in identify theft is not great, it is still important that you take the time to protect yourself. To assist, The Dental Network has outlined the following steps that members may take in order to minimize your risk.

Enroll in a Credit Monitoring Service

The Dental Network will provide, at no cost to you, one year of credit monitoring service. This service will provide you with early notification to any changes to your credit reports. To enroll in this service, please call (866) 879-7402 / 9 am – 9 pm Eastern Time or visit <http://ids.thedentalnet.org>

Obtain a free copy of your credit report

Whether or not you choose to enroll in the credit monitoring program, you should obtain a copy of your credit report, for free, once a year from each credit reporting agency. You can obtain a free credit report by visiting www.annualcreditreport.com or by calling 1-877-322-8228.

Place a Fraud Alert on your credit file

You also have the right to place an initial “fraud alert” on your credit file. A fraud alert lets creditors know that they should contact you before they open any new accounts in your name. You can do this by calling any one of the three credit reporting agencies at the numbers below. You only need to place a fraud report with one of the agencies; they will then share your request with the other two. The fraud alert will stay on your account for 90 days, after which you may renew the alert for additional 90 day periods by calling any one of the three agencies.

Equifax

P.O. Box 740241
Atlanta, GA 30374-0241
1-800-525-6285
www.equifax.com

Experian

P.O. Box 2002
Allen, TX 75013
1-888-397-3742
www.experian.com

TransUnion

Fraud Victim Assistance Division
P.O. Box 6790
Fullerton, CA 92834-6790
1-800-680-7289
www.transunion.com

- more -

Review Your Credit Report

When you receive your credit report, review it carefully. Look for accounts you did not open. Look for inquiries from creditors that you did not initiate. Look for personal information, such as home address, employment or social security numbers, which are not accurate. If you see anything you do not understand, call the credit agency at the telephone number on the report.

If your credit report indicates fraud or identity theft, call your local police or sheriff's office and file a report of identity theft. Get a copy of the police report. You may need to give copies of the police report to creditors to clear up your records.

To assist you in addressing employee concerns, here are answers to several frequently asked questions.

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