

Below is the latest update regarding our identification and notification process for BlueCross members affected by the October 2009 hard drive theft. I indicated several weeks back that I'd send out monthly reports (instead of bi-weekly) or update you when there was a new development. Well, both criteria apply to this notice.

Identification

As of April 2, 2010, a total of 998,422 current and former members[] have been identified at being at risk. I believe the last figure you had was 521,761 members. The total number of members includes an additional 447,549 current and former members recently identified in the Tier 1 category. Please note that Tier 1 (see below) holds the lowest level of risk.

Notification

These newly-identified members in Tier 1 began receiving their notification letters the week of April 5, 2010. To date, a total of 550,873 notifications have been sent to members indicating that their personal information was included on the stolen hard drives.

As of the date above, there has been no documented incident of identity theft or credit fraud of BlueCross members as a result of this incident. BlueCross is committed to protecting its customers' personal information and takes seriously any risks associated with this crime. We believe there is minimal risk to members' data being accessed due to the specialized nature of the hardware stolen and the difficulties associated with accessing the stored data. That said, we encourage at-risk members to take full advantage of the pre-paid protection services offered in their notification letter.

Exactly 24,780 members have contacted Equifax to initiate the free 3-in-1 credit monitoring service offered to those members in the Tier 3 category. Another 2,512 members have initiated the LifeLock® services available to minors in the Tier 3 category. And, a total of 998,422 members have been enrolled in the Kroll ID Theft Smart program.

Below you'll see that we are nearing the end of this complex and important process, and with the percentage of work left to go, I'll only be sending out one final report when the process is 100 percent complete.

If you have any questions, please don't hesitate to call.

<http://www.bcbst.com/learn/special-information/eastgate/>

Risk Level	Description of recording data	# Identified through 4/2/10	# Notified by mail since 12/7/09	Remediation Offered
Tier 3 100% Complete On Data Matching	Member's name, social security number, date of birth and address	238,589	238,589	<ul style="list-style-type: none"> • Free credit monitoring for one year provided by Credit Watch Gold with 3-in-1 Monitoring by Equifax Personal Solutions, www.myservices.equifax.com/tri • Free identity monitoring through LifeLock Identity Alert™* • Kroll ID TheftSmart program free for one year with: <ul style="list-style-type: none"> ◦ Access to Kroll's Solution Support Center ◦ Enhanced Identity Theft Consultation and Restoration ◦ Enhanced Identity Theft Consultation and Restoration
Tier 2 98% Complete On Data Matching	Member's name, address and/or date of birth and diagnostic information	312,284**	146,612**	<ul style="list-style-type: none"> • Kroll ID TheftSmart program free for one year with: <ul style="list-style-type: none"> ◦ Access to Kroll's Solution Support Center ◦ Enhanced Identity Theft Consultation and Restoration ◦ Enhanced Identity Theft Consultation and Restoration
Tier 1 90% Complete On Data Matching	Member's name, address and/or date of birth	447,549		<ul style="list-style-type: none"> • Kroll ID TheftSmart program free for one year with: <ul style="list-style-type: none"> ◦ Access to Kroll's Solution Support Center ◦ Enhanced Identity Theft Consultation and Restoration ◦ Enhanced Identity Theft Consultation and Restoration

* For BlueCross members identified as minors

** The number of members identified and notified in the Tier 2 category is different due to the decision BlueCross made to offer remediation services to all family members associated with the specific subscriber ID number identified during the data audit process

[ii] A member refers to anyone who is covered by a plan underwritten or administered by BlueCross.

[iii] A subscriber refers to an individual who is part of a group plan underwritten or administered by BlueCross. Subscribers may have individual, spouse or family coverage. Spouses and family are considered BlueCross members but not subscribers.

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