

December 31, 2009

Dear Member:

On Friday, October 2, 2009, unauthorized persons entered a data closet located at BlueCross BlueShield of Tennessee, Inc.'s Eastgate Town Center location and removed numerous computer hard drives containing encoded data. On Monday, October 5, 2009, BlueCross BlueShield of Tennessee, Inc. discovered the data breach and immediately reported the breach to law enforcement.

The hard drives contained encoded audio and video recordings of member and provider eligibility and coordination of benefits calls to BlueCross BlueShield of Tennessee, Inc.'s Eastgate call center. BlueCross BlueShield of Tennessee, Inc. has identified that some of your information was stored on the hard drives and potentially could be accessed. The information potentially at risk includes your name, address, member ID, Social Security Number, date of birth, and/or diagnosis.

While BlueCross BlueShield of Tennessee, Inc. believes there is a low risk this information could be used inappropriately, we understand you could be concerned about unauthorized use of your personal information. BlueCross BlueShield of Tennessee, Inc. suggests that you closely monitor your claim activities by carefully reviewing your Monthly Claims Statement from BlueCross BlueShield of Tennessee, Inc.

To mitigate the possibility of misuse of your information, BlueCross BlueShield of Tennessee has engaged Kroll, a global leader in data security, to provide its ID TheftSmart™ program for one year from the date of this notification. This program includes access to Kroll's Solution Support Center for questions about the event or identity theft concerns, as well as Enhanced Identity Theft Consultation and Restoration described below. Kroll's team has extensive experience when it comes to helping people who have experienced the unintentional exposure or potential exposure of confidential data. BlueCross BlueShield of Tennessee is providing you FREE access to:

**Enhanced Identity Theft Consultation and Restoration.** Kroll's Licensed Investigators, who truly understand the problems surrounding data breaches and identity theft, are available to listen, to answer your questions, and to offer their expertise regarding any concerns you may have. In the unlikely event that you were a victim of identity theft as a result of this incident, BlueCross BlueShield of Tennessee will further provide identity theft restoration services through which Kroll's Licensed Investigators will help restore your identity to pre-theft status. The investigators do most of the work.

You may call 1-866-599-7347, 8:00 a.m. to 7:00 p.m. (Central Time), Monday through Friday, if you have any questions or feel you may have an identity theft issue.

In addition, in an effort to prevent unauthorized use of your information, BlueCross BlueShield of Tennessee, Inc. is offering you free credit monitoring for one year provided by Credit Watch<sup>SM</sup> Gold with 3-in-1 Monitoring by Equifax Personal Solutions. With Credit Watch Gold with 3-in-1 Monitoring, you will receive:

- Comprehensive credit file monitoring of your credit reports through the three major credit reporting agencies
- 24/7 live agent customer service to assist you in understanding your credit information and provide support in the investigation of any inaccurate information
- \$1,000,000 in identity theft insurance with \$0 deductible, at no additional cost to you<sup>†</sup>

Your Equifax promotion code is [REDACTED]. To sign up online for online delivery, please go to [www.myservices.equifax.com/tri](http://www.myservices.equifax.com/tri). To enroll for US Mail delivery, please call 1-866-937-8432. To learn more on how to activate and take advantage of this service, please review the information at the end of this letter.

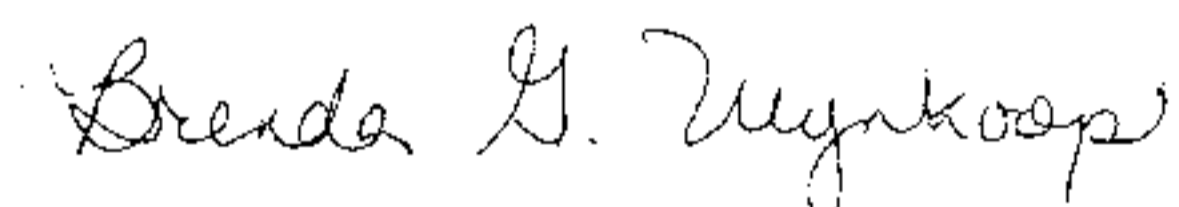
BlueCross BlueShield of Tennessee, Inc. has also placed information on its Web site, [www.bcbst.com](http://www.bcbst.com), to provide its members with information regarding this theft. The Federal Trade Commission (FTC) has also released detailed information on steps you can take to protect against identity theft. You can find information on the FTC Web site at [www.ftc.gov](http://www.ftc.gov), or you can call 1-877-IDTHEFT (1-877-438-4338; TTY 1-866-653-4261).

BlueCross BlueShield of Tennessee, Inc.'s internal investigators are continuing to work with local and federal authorities on the investigation of the breach. BlueCross BlueShield of Tennessee, Inc. is also obtaining an independent assessment of BlueCross BlueShield of Tennessee, Inc.'s system-wide data and facility security to continue to provide the best security possible.

We will continue to work with our members to address all concerns and provide information and assistance to ensure our members' needs are being met. If you have any questions or would like more information, please contact us at 1-888-422-2786, TTY Users call 1-888-423-9490 or [Privacy\\_Questions\\_GM@bcbst.com](mailto:Privacy_Questions_GM@bcbst.com).

BlueCross BlueShield of Tennessee, Inc. deeply regrets this situation. BlueCross BlueShield of Tennessee, Inc. has always been committed to taking measures to safeguard your information and we take privacy concerns very seriously.

Sincerely,



Brenda G. Wynkoop  
Manager, Legal Compliance  
Privacy Office

---