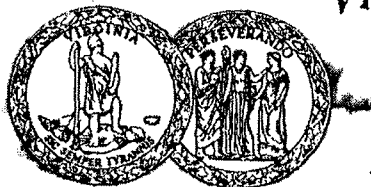


ALFRED W. GROSS
COMMISSIONER OF INSURANCE
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

COMMONWEALTH OF VIRGINIA



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STATE CORPORATION COMMISSION BUREAU OF INSURANCE

August 4, 2006

Dear Agent or Former Agent:

The Virginia Bureau of Insurance (Bureau) recently upgraded its agent licensing systems to implement use of the National Producer Number (NPN). The NPN allows insurance producers the option of using a unique NAIC-assigned number for identification purposes other than his/her social security number to access Bureau information. Further, the system upgrade permits public access to certain limited agent/agency information within the possession of the Bureau.

On July 31, 2006, the Bureau learned, while working upon further system upgrades, that a State Corporation Commission (Commission) programmer made a testing error regarding NPN. As a result, it is possible, although unlikely, that a computer-knowledgeable individual could have potentially accessed an agent's social security number from the Bureau's online Agent Lookup Feature at <http://boi.scc.virginia.gov/agentlookup/>. No producer's social security number was shown on any web page, but could have been accessed by use of a source code tool on a web browser. Such access would have been possible from June 13, 2006 through July 31, 2006.

Once the Bureau learned of this situation, we took immediate steps to eliminate any possible access from outside of the system. The issue was resolved on July 31, 2006, the same day it was discovered. The Bureau has no indication that any producer's social security number was accessed or compromised. While we do not have any evidence that any unauthorized person accessed this information, we regret that this situation took place, and, in an abundance of caution, we are extending you this notification.

As a precaution, you may wish to take any steps that you believe are necessary for your protection, such as obtaining a copy of your credit report or checking for any unusual activity on your bank or other accounts. You may wish to be extra vigilant by carefully monitoring bank statements, credit card statements, and any statements relating to financial transactions, and to immediately report any suspicious or unusual activity. For tips on how to guard against misuse of personal information, visit the Federal Trade Commission website at <http://www.consumer.gov/idtheft/>. One way to monitor your financial accounts is to review your credit report. By law, you are entitled to one free credit report each year. You may request a free credit report from each of the three major credit bureaus (Equifax, Experian, and TransUnion) by calling 1-877-322-8228 or at www.AnnualCreditReport.com.

The Bureau recognizes that ease of use and access to information, as well as safeguarding personal information within our possession, are most important goals. If you have questions about the contents of this letter, you may email the Bureau at agentlookupinquiry@scc.virginia.gov or contact a Bureau representative at (804) 726-2630.

Sincerely,

Brian P. Gaudiose
Deputy Commissioner
Agent Regulation and Administration Division