



121 STATE STREET
ALBANY, NEW YORK 12207-1693
TEL: 518-436-0751
FAX: 518-436-4751

SEAN M. DOOLAN
DIRECT PHONE: 518-689-7217
E-MAIL: SDOOLAN@HINMANSTRAUB.COM

April 2, 2008

VIA FACSIMILE AND FEDERAL EXPRESS

Kelly A. Ayotte
Attorney General
New Hampshire Department of Justice
33 Capitol Street
Concord, New Hampshire 03301

Re: Notice of Security Breach

Dear Ms. Ayotte:

Please be advised that we represent UniCare and we are hereby notifying your office of a breach of security affecting approximately 4 New Hampshire residents.

Approximately one year ago, it was discovered that a computer server that contained protected health information (PHI) was not properly secured by a third party vendor for a period of time, which caused the PHI of certain UniCare members to be temporarily accessible via the internet. The PHI contained member ID numbers (which in some cases, included a social security number) and certain pharmacy/medical data that pertained to the member or the member's dependents enrolled under the member's health plan. We quickly initiated an assessment and secured the PHI. We implemented additional security measures to ensure that similar incidents do not recur. We also notified the members who we determined might have been impacted. On December 27, 2007, we discovered that the PHI of additional members might have been accessible via the internet at the time of this incident. UniCare is addressing this issue with the vendor. Upon notification of the loss, UniCare immediately initiated an investigation into the matter. UniCare has no indication at this time that any instances of identity theft related to this situation have occurred.

On April 4, 2008, a letter regarding this incident will be mailed to all affected members. A copy of that letter is attached. To protect all members impacted, UniCare is offering to pay for a credit monitoring service through Equifax Credit Watch for a period of one year. This service will monitor credit files and notify members of any suspicious activity that could indicate potential identity theft. Both the vendor and UniCare are conducting a thorough inspection of their security practices to identify opportunities for improvement.

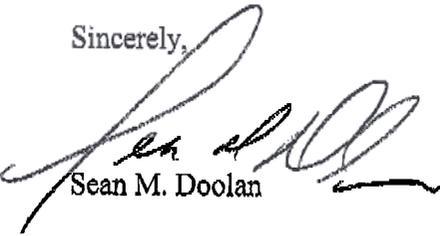
HINMAN STRAUB P.C.

DATE APRIL 2, 2008

PAGE 2

Please contact me with any questions or if you wish to discuss this matter further.

Sincerely,



Sean M. Doolan

Date: [Date]

[Member Name]
[Address]
[City], [State] [Zip]

Si necesita ayuda en español para entender este documento, puede llamar al número de teléfono que aparece en esta comunicación y solicitar hablar con un representante de servicio al cliente que hable español.

Dear: [Member Name]

This letter is to notify you of a privacy issue that has come to our attention. We have already taken steps to address and correct this situation. However, we want to make you aware of what has occurred, what steps we have taken and are taking to prevent it from happening again, and how we will work with you to safeguard your protected health information (PHI).

Approximately one year ago it was discovered that a computer server that contained PHI was not properly secured by a third-party vendor for a period of time, and that the PHI of certain members was temporarily accessible via the Internet. The PHI contained member ID numbers (which, in some cases, included a social security number), and certain pharmacy/medical data that pertained to the member or the member's dependents enrolled under the member's health plan. We quickly initiated an assessment and worked to secure, and did secure, the PHI. We put additional security measures in place to ensure that similar incidents do not happen again. We also notified the members who we determined might have been impacted.

When this security breach occurred, we believed that we had identified all members who had been impacted. Recently, we have discovered that the PHI of additional members was potentially accessible via the Internet when the temporary security breach occurred. This PHI included information that pertained to you and/or your dependents enrolled under your health plan. We are therefore providing you with this notice as a precaution.

We are committed to protecting the privacy and security of your PHI. We understand that you may be concerned, so we want to offer you free credit monitoring for one year through Equifax Credit Watch. This service monitors your credit file and notifies you of any unusual or suspicious activities that could indicate potential identity theft. Details on how to enroll in this service are provided in the attachment to this letter. You will be asked to enter this promotion code [insert code] when you enroll. Please enroll by May 30, 2008. We also suggest that you take the steps outlined in the enclosed information sheets to further reduce any potential risk to you and your family members.

We apologize for any inconvenience or concern this may have caused you. If we can be of any further assistance or answer any questions regarding the information in this letter, please call [insert number] between the hours of [insert times] Monday through Friday.

Sincerely,

[insert signature]

Free Credit Monitoring

We have arranged with Equifax Personal Solutions to help you protect your identity and your credit information at no cost to you. The steps to follow are:

1. Enroll in Equifax Credit Watch™ Gold identity theft protection service. This service is being provided to you at no cost.
2. Additionally, you may choose to adopt an increased level of protection by placing a “fraud alert” on your credit file at Equifax and the other two credit reporting agencies

Equifax Credit Watch™ Gold

Equifax Credit Watch will provide you with an “early warning system” to changes to your credit file and help you to understand the content of your Equifax credit file. The key features and benefits are listed below.

Your Equifax Credit Watch 1-year membership service provides you with:

- o Comprehensive credit file monitoring of your Equifax credit report with daily notification of key changes to your credit file.
- o Wireless alerts and customizable alerts available
- o Unlimited access to your Equifax Credit Report™
- o \$20,000 in identity theft insurance with \$0 deductible, at no additional cost to you †
- o 24 by 7 live agent Customer Service to assist you in understanding the content of your Equifax credit information, to provide personalized identity theft victim assistance and assistance in initiating an investigation of inaccurate information.

Two Ways to Enroll

Internet

Equifax has a simple Internet-based verification and enrollment process.

Visit: www.myservices.equifax.com/gold

1. Consumer Information: complete the form with your contact information (name, address and e-mail address) and click “Continue” button. The information is provided in a secured environment.
2. Identity Verification: complete the form with your Social Security Number, date of birth, telephone #s, create a User Name and Password, agree to the Terms of Use and click “Continue” button. The system will ask you up to two security questions to verify your identity.
3. Payment Information: During the “check out” process, provide the promotional code from page 1 in the “Enter Promotion Code” box. (No spaces but include dash.) After entering your code press the “Apply Code” button and then the “Submit Order” button at the bottom of the page. (This code eliminates the need to provide a credit card number for payment.)
4. Order Confirmation: – Click “View My Product” to access your Equifax Credit Report.

Phone Call

To sign up for US Mail delivery of the service, dial 1-866-937-8432 for access to the Equifax Credit Watch automated enrollment process. Note that all credit reports and alerts will be sent to you via US Mail only.

1. Promotion Code: You will be asked to enter your promotion code from page 1 (no spaces, no dash)
2. Customer Information: You will be asked to enter your home telephone number, home address, name, date of birth and Social Security Number.

3. **Permissible Purpose:** You will be asked to provide Equifax with your permission to access your credit file and to monitor your file. Without your agreement, Equifax can not process your enrollment.
4. **Order Confirmation:** Equifax will provide a confirmation number with an explanation that you will receive your Fulfillment Kit via the US Mail (when Equifax is able to verify your identity) or a Customer Care letter with further instructions (if your identity can not be verified using the information provided).

Directions for placing a Fraud Alert

A fraud alert is a consumer statement added to your credit report. This statement alerts creditors of possible fraudulent activity within your report as well as requests that they contact you prior to establishing any accounts in your name. Once the fraud alert is added to your credit report, all creditors should contact you prior to establishing any account in your name. To place a fraud alert on your Equifax credit file, you may contact our auto fraud line at 1-877-478-7625, and follow the simple prompts. Once the fraud alert has been placed with Equifax, a notification will be sent to the other two credit reporting agencies, Experian and Trans Union, on your behalf.

Additional information for Maryland residents

Federal Trade Commission
www.ftc.gov
 1-877-ID-THEFT

Office of the Attorney General
www.oag.state.md.us
 1-888-743-0023

For Massachusetts residents

You can place a security freeze on your credit report, prohibiting a credit reporting agency from releasing any information from the report without written authorization. You can send a written request to each of the credit bureaus by regular, certified or overnight mail. Each credit bureau has specific requirements to place a security freeze. See contact information below for more information.

Credit Bureaus		
Equifax	Experian	Trans Union
P.O. Box 105873	P.O. Box 949	P.O. Box 390
Atlanta, Ga. 30348-5873	Allen, Tx. 75013-0949	Springfield, Pa. 19064-0390
Credit 1-800-997-2493	Credit 1-888-397-3741	Credit 1-800-916-8800
Fraud 1-800-525-6285	Fraud 1-888-397-3742	Fraud 1-800-680-7289
www.equifax.com	www.experian.com	www.tuc.com