

Mercer Health & Benefits 2010 Security Incident Frequently Asked Questions

August 12, 2010

1. Who or what is Mercer?

Mercer Health & Benefits (“Mercer”) help employers with planning, strategy, benchmarking, design, pricing, financial management, vendor management, program marketing, renewal management, communication, compliance and administration of group health and welfare plans. Idaho Power contracts with Mercer to consult with our Human Resources Department about benefit plan coverage for employees, retirees and dependents. Their website, www.mercer.com, is a good source of information if you wish to know more about Mercer.

2. What happened and what data information was lost?

A data breach was reported by Mercer to Idaho Power on June 16, 2010. According to Mercer, on March 26, 2010 a package containing a server back-up tape was sent via FedEx from Mercer’s Boise office to their Seattle office and is presently unaccounted for.

The tape contained personal demographic information (not medical or health-related data). The lost information included names, addresses, dates of birth, and Social Security numbers for approximately 5,000 Idaho Power employees and dependents and approximately 375,000 other individuals whom Mercer services through their client base.

3. Has the tape been recovered? Any indication the tape or any information on the tape has been inappropriately misused?

The tape cannot be accounted for, and we cannot confirm the tape or any information on it has or has not been inappropriately misused.

While the tape was not encrypted, Mercer indicates it is not the type of media that is readily accessible. Idaho Power disagrees and we are moving forward with our own independent investigation. You will be informed as the investigation progresses.

4. What has Mercer done about this security incident?

Mercer has informed us that they have taken the following measures. First they conducted their own investigation to identify all individuals whose personal information may have been contained on the tape, and notified clients whose employee data was on the tape.

Second, Mercer has changed their processes and strengthened the method in which backup tapes are transferred to their secure storage site.

Finally, Mercer is providing one year of free identify theft safeguards through the Kroll, Inc. “ID TheftSmart” program for all those affected at Mercer’s expense. Mercer is notifying all Idaho Power plan participants and dependents whose information was on the lost tape.

5. What is Idaho Power doing to investigate, mitigate and protect us from further data breaches?

Our company leaders are committed to protecting employees', retirees' and dependents' personal information and they take that responsibility very seriously. Since learning about the Mercer security incident, leaders took all necessary steps to work directly with Mercer representatives.

Communication continues with all potentially affected individuals to encourage everyone to take advantage of Kroll's free credit protection services. Following are current actions:

- we asked Mercer to confirm their processes have changed to secure any personal data provided to them;
- we are looking at our own processes to ensure only necessary data is provided to our third-party vendors;
- we asked Mercer to extend the free identity theft protection services from one year to two and this is still being discussed;
- we are demanding Mercer meet their responsibilities to provide all facts and information related to this data breach so we can complete our own investigation currently underway;
- due to the loss of personal information, we filed a formal privacy breach report with the U.S. Department of Health & Human Services and completed a required website posting; and
- we are discussing options to review our 2011 contract with Mercer with the intention of ensuring the best possible services for all benefit plan participants.

6. Who or what is Kroll?

Among other services, Kroll helps clients protect employees and assets. Their ID TheftSmart services include credit reports, credit monitoring and identity theft consultation and restoration. Until recently, Mercer and Kroll were sister companies, owned by Marsh & McLennan. Unrelated to this incident, Kroll was sold to Altegrity Inc.; the sale was completed last Tuesday, August 3, 2010.

7. Can Kroll tell me if I am on the list to receive a letter from Mercer?

Yes, you can call Kroll's ID TheftSmart services at 1-877-783-5421 to determine if you or your dependent's information was on the tape and confirm if you should have received a letter. Call this phone number if you have any questions or concerns.

8. What are my options for enrolling in the free credit protection services?

To sign up for the ID TheftSmart services provided by Kroll, Inc., follow the instructions in the letter. Options include completion of your authorization online by visiting <https://www.idintegrity.com/> or completing the "Consumer Credit Report and Credit Monitoring Authorization Form" which was included with your Mercer letter. You will need the Membership Number found at the top right corner of your letter to enroll. These services will be free of charge through 8/31/2011.

9. Why do I have to supply my name, date of birth and Social Security number to sign up for the identity theft service?

Kroll can begin monitoring your credit files only after your authorization. Your name, date of birth and Social Security number are needed to authenticate your identity. Mercer cannot authorize the credit services on your behalf. The credit monitoring service being offered to you monitors your credit file at each of the three nationwide credit reporting agencies, Experian, Equifax and TransUnion. Your Social Security number is required to verify your identity, locate your credit file from among the millions maintained by each of the reporting agencies, and thereafter monitor your credit file on your behalf to flag key changes.

We encourage you to sign up for the Kroll credit protection services. Doing so will allow you to view current credit activity, identify any inaccuracies and detect suspicious activity early. Even if you choose not to take advantage of the free services, you still have full access to the Enhanced Identity

Theft Consultation and Restoration service, where Kroll's licensed investigators are available to answer your questions, address any concerns, and should you become an identity theft victim, will work on your behalf to help restore your identity to pre-theft status.

10. Mercer says the tape was lost in March, but I just received the letter. Why so late?

According to Mercer, when it was determined that the tape was lost, their examiners and investigators attempted to replicate the lost tape, then comprehensively analyzed the information. This examination and investigation took a very long time. Mercer notified Idaho Power after they determined that our employee and dependent data was included on the tape.

11. Does Mercer's letter have anything to do with my Employee Savings Plan (ESP) account?

No, Mercer HR Services—a separate business under their parent company Marsh & McLennan Companies—is the record keeper for Idaho Power's 401(k) Employee Savings Plan and is entirely separate from Mercer Health & Benefits.

12. Why does Mercer possess my personal information?

It is often necessary for Mercer to obtain certain personal information to provide services to its employer clients. For example, to arrange insurance on behalf of participating employees, Mercer received personal information about them from Idaho Power. Benefits-related demographic data (not medical records) is on the lost tape.

Sometimes plan enrollment data sent to Mercer identifies both employees enrolling in as well as declining medical or insurance coverage. Therefore, it is possible that Mercer was provided your personal information even though they did not arrange insurance coverage on your behalf.

13. Why is there considerable discrepancy about who did or did not receive letters?

According to Mercer, they approached this situation carefully and attempted to communicate to all individuals named on the tape. In many cases it was not possible to reconstruct a clear link between a name, address, employer or age of an individual. The data recovery unit at Kroll attempted to establish these links as best they could, but the age, data quality and inconsistent formatting of the tape did not always enable accurate matches.

To ensure that Mercer contacted and offered safeguards to all people who were potentially impacted by the data loss, they expected a certain degree of over-notification in the process. If you received a duplicate or misaddressed letter, you may disregard it as there is no confidential information contained in the letter. Its purpose is to provide credit monitoring and security services to those who need it and only the intended recipient will be able to utilize the letter to protect their identity and credit.

14. My under age child received a letter but when we called the Kroll line we learned no one under 18 qualifies for credit protection services. Why?

Minors qualify for, and have access to, Kroll's Enhanced Identity Theft Consultation and Restoration services. As minors, however, they are under the age necessary to secure credit. Thus, they have no credit file or credit report that can be monitored as part of Kroll's credit protection services. If you suspect an issue has arisen for your minor child as a result of this data loss, do not hesitate to contact Kroll and utilize their services.

15. I received more than one letter from Mercer, which membership number do I use to sign up for the ID TheftSmart credit report service?

You can use either membership number provided on either of the letters you received.

16. Was beneficiary data involved?

To Idaho Power's knowledge, no beneficiary data information was lost.

17. What is identity theft?

Identity theft is a crime that occurs when someone steals your personal information and uses it to obtain false credit. It often begins with the theft of a Social Security number, credit card number, debit card, or phone card. With your personal information on hand, any thief can pretend to be you. They can use your credit accounts, open bank accounts, and take out loans in your name. And in many cases, the fraud can go undetected for months.

18. Why would I want to monitor my credit?

Early notification of activity you might otherwise never know of, or not know of for a long period of time, is the greatest benefit of regular monitoring. If that activity is being committed fraudulently, you are in a position to catch it much sooner and begin the difficult process of restoration. Taking proactive steps in the restoration process can assist in reducing the amount of fraudulent activity that occurs thereafter. Being notified of potentially fraudulent activity within a month is much better than after two or three years.

19. What resources or advice can you provide to reduce the chance of future identity theft from occurring?

Unfortunately, identity theft is on the rise. You can check your credit report using this officially recognized resource: www.annualcreditreport.com, which allows you to check your report with each of the three reporting agencies once a year for free. The Better Business Bureau recommends you go to the website and check one agency every four months. For example, check Experian in August, TransUnion in December, and Equifax in April. Repeat the process each year.

If necessary, you can place a freeze on your credit reports so no one but you can check your reports or take out credit without your permission. Contact each of the three reporting agencies, Experian, Equifax, and TransUnion, to make the request online or through the mail. If you are a victim of identity theft, the freeze is free. Otherwise, placing the freeze costs about \$6 per agency.

Equifax Security Freeze

https://www.freeze.equifax.com/Freeze/jsp/SFF_PersonalIDInfo.jsp

P.O. Box 105788
Atlanta, Georgia 30348

Experian Security Freeze

http://www.experian.com/consumer/security_freeze.html

P.O. Box 9554
Allen, Texas 75013

TransUnion Security Freeze

<https://annualcreditreport.transunion.com/fa/securityFreeze/landing>