



DEPARTMENT OF INSURANCE
STATE OF NORTH DAKOTA

Jim Poolman
Commissioner of Insurance

June 6, 2006

James S. Theiss
Chief Privacy Officer
Humana Inc.
P.O. Box 1438
Louisville, KY 40201-1438

Dear Mr. Theiss:

Thank you for your letter of June 2, 2006 responding to my request for details surrounding the serious breach of privacy resulting from the May 4, 2006 theft of a computer briefcase containing Medicare Part D insurance applications.

Although I appreciate the information your letter provided, frankly, your reply did little to assuage my outrage over the facts surrounding the theft and the manner in which Humana Inc. and GoldenCare USA, Inc. handled the situation after learning of the breach. Particularly alarming to me are: the irresponsibility and lack of protection for sensitive data while in the employee's custody; the two-week delay in notifying affected policyholders; the complete lack of notification to regulatory authorities; and the inadequate remedy to policyholders of an offer of a year's free credit monitoring service.

Offering a credit monitoring service is an essential step in rectifying the situation; however, limiting this protection to one year is not adequate. I must insist that Humana Inc. extend the monitoring service as long as necessary to protect these potential victims of identify theft.

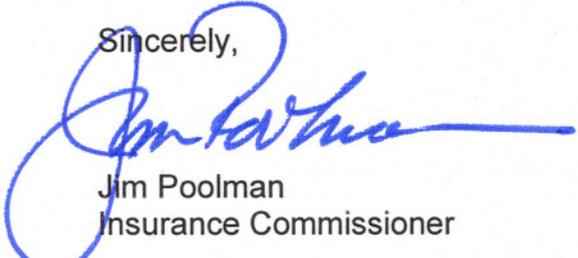
Furthermore, I must have the assurance that these policyholders will be held harmless for any financial loss that may occur as a result of the unauthorized use of private information stolen under such lax security measures as allowing applications to be removed from GoldenCare USA's office, to be left overnight in an unlocked vehicle, parked in the driveway of the home of an employee.

As of yet, I have not received sufficient information to decide whether to pursue administrative action over this breach of security. I am asking you to provide me with the following additional information, and would appreciate a response within five (5) business days:

1. An explanation of why the subsequently stolen applications were allowed to be removed from GoldenCare USA's office.
2. Specific information regarding GoldenCare USA's privacy training for employees prior to the breach, including: training materials; records of training meetings; attendance records at these meetings; and any other specifics relating to the training.
3. A copy of training materials distributed at the May 8, 2006 educational session for all GoldenCare USA employees.
4. A copy of GoldenCare USA's corrective action plan referred to in response number (3) of your letter of July 2, 2006.
5. A more specific description of the 'disciplinary counseling' provided for the GoldenCare USA employee involved in the incident.
6. A copy of the reminders sent to all contracted agencies regarding the handling of applicant information as a result of this incident.
7. An update regarding additional contractual or training requirements Humana Inc. put into place with its vendors and agents.
8. An explanation of how Humana Inc. can be confident that there were no more than 44 North Dakota policyholders affected.
9. The names and addresses of any North Dakota policyholders involved in a privacy breach in which the personal information of approximately 17,000 Humana policyholders was found on a computer available to the public in a Baltimore, Maryland hotel.

Thank you for your continued cooperation as we attempt to resolve this matter. I await your prompt response.

Sincerely,



Jim Poolman
Insurance Commissioner

JP:ls

cc: Alex Trujillo, CMS, Denver
R. Glenn Jennings, Executive Director, Kentucky Office of Insurance