

April 27, 2023

Anjali C. Das
312.821.6164 (direct)
Anjali.Das@wilsonelser.com

Via E-mail Only:

Attorney General Brian Frosh
Office of the Attorney General
Attn: Security Breach Notification
200 St. Paul Place
Baltimore, MD 21202

Re: Cybersecurity Incident Involving Arroyo Insurance Services, Inc.

Dear Attorney General Frosh:

Wilson Elser Moskowitz Edelman and Dicker LLP (“Wilson Elser”) represents Arroyo Insurance Services, Inc. (“Arroyo”), an insurance agency and broker serving clients across the country and located in Pasadena, California, with respect to a recent cybersecurity incident that was first discovered by Arroyo on November 2, 2021 (hereinafter, the “Incident”). Arroyo takes the security and privacy of the information in its control very seriously, and has taken steps to prevent a similar incident from occurring in the future.

This letter will serve to inform you of the nature of the Incident, what information may have been compromised, the number of Maryland residents being notified, and the steps that Arroyo has taken in response to the Incident. We have also enclosed hereto a sample of the notification made to the potentially impacted individuals, which includes an offer of free credit monitoring services.

1. Nature of the Incident

On November 2, 2021, Arroyo became aware of a potential business email compromise event after an outgoing spam campaign was identified as having originated from an Arroyo employee account. Upon discovery of the incident, Arroyo promptly engaged a specialized cybersecurity firm to conduct a forensic investigation to determine the nature and scope of the incident. The investigation, which concluded on January 6, 2022, revealed that some of the personal information may have been accessed by an unauthorized individual. Arroyo immediately began a thorough review of the potentially accessed files to identify the clients whose sensitive information was present at the time of the incident from January to April, 2022. This step was necessary so that Arroyo could send a notice of the incident to ensure the potentially impacted clients are aware of this Incident.

Next, Arroyo undertook to notify individuals using substitute notice as Arroyo did not store addresses for a large number of the impacted individuals. Arroyo reached out to their clients and requested addresses for these drivers in an attempt to personally notify as many individuals as possible. Due to the large number of clients notified, this exercise proceeded from October, 2022 to April, 2023. Thus, Arroyo procured credit monitoring for affected individuals and issued media publication and website notice as well as individual notice to impacted individuals with confirmed addresses.

55 West Monroe Street, Suite 3800 • Chicago, IL 60603 • p 312.704.0550 • f 312.704.1522

Alabama • Albany • Atlanta • Austin • Baltimore • Beaumont • Boston • Chicago • Dallas • Denver • Edwardsville • Garden City • Hartford • Houston
Indiana • Kentucky • Los Vegas • London • Los Angeles • Miami • Michigan • Milwaukee • Mississippi • Missouri • Nashville • New Jersey • New Orleans
New York • Orlando • Philadelphia • Phoenix • San Diego • San Francisco • Sarasota • Stamford • Virginia • Washington, DC • Wellington • White Plains

wilsonelser.com

Although Arroyo is unaware of any fraudulent misuse of information, it is possible that individuals' full name, address, and Driver's License number may have been exposed as a result of this unauthorized activity.

As of this writing, Arroyo has not received any reports of related identity theft since the date of the incident (November 2, 2021 to present).

2. Number of Maryland residents affected.

A total of three (3) Maryland residents may have been potentially affected by this incident. Notification letters to these individuals were mailed on April 27, 2023, by first class mail. A sample copy of the notification letter is included with this letter under **Exhibit A**.

3. Steps taken in response to the Incident.

Arroyo is committed to ensuring the security and privacy of all personal information in its control, and is taking steps to prevent a similar incident from occurring in the future. Upon discovery of the Incident, Arroyo moved quickly to investigate and respond to the Incident, assessed the security of its systems, and notified the potentially affected individuals. Specifically, Arroyo engaged a specialized cybersecurity firm to conduct a forensic investigation to determine the nature and scope of the Incident. Since the incident, Arroyo has continued to strengthen their security posture by adding the following security controls: resetting passwords, enabling Multi-Factor Authentication for user accounts, performing network scanning for malicious activity, and instituting security awareness training for employees.

Although Arroyo is not aware of any actual or attempted misuse of the affected personal information, Arroyo offered twelve (12) months of complimentary credit monitoring and identity theft restoration services through IDX to all individuals to help protect their identity. Additionally, Arroyo provided guidance on how to better protect against identity theft and fraud, including providing information on how to place a fraud alert and security freeze on one's credit file, the contact details for the national consumer reporting agencies, information on how to obtain a free credit report, a reminder to remain vigilant for incidents of fraud and identity theft by reviewing account statements and monitoring free credit reports, and the contact details for the Federal Trade Commission.

4. Contact Information

Arroyo remains dedicated to protecting the sensitive information in its control. If you have any questions or need additional information, please do not hesitate to contact me at Anjali.Das@WilsonElser.com or 312-821-6164.

Very truly yours,

Wilson Elser Moskowitz Edelman & Dicker LLP



Anjali C. Das

EXHIBIT A

Arroyo Insurance Services, Inc.
Return mail to IDX
4145 SW Watson Ave, Suite 400
Beaverton, OR 97005



To Enroll, Please Call:

Or Visit:

<https://app.idx.us/account-creation/protect>

Enrollment Code:

April 27, 2023

Notice of Data Breach

We are writing to inform you of a data security incident which affected Arroyo Insurance Services, Inc. ("Arroyo"), an insurance agency located in Arcadia, California. The data security incident may have resulted in the potential compromise of some of your personal data. While we have no indication that your information has been misused, this letter contains information about the incident and information about how to protect your personal information going forward. Arroyo considers the protection of sensitive information a top priority, and sincerely apologizes for any inconvenience as a result of the incident.

Arroyo may have obtained your data from your insurance carrier or employer as a part of their services.

What Happened

On November 2, 2021, Arroyo became aware of a potential business email compromise event after an outgoing spam campaign was identified as having originated from an Arroyo employee account. Immediately, Arroyo launched an investigation to determine the nature and scope of the incident, including engaging third-party cybersecurity experts to assist in remediation and investigation. The investigation revealed that an unauthorized party gained access to some of your sensitive personal information.

What Information Was Involved

While we have no reason to believe that your information has been misused as a result of this incident, we are notifying you out of an abundance of caution and for purposes of full transparency. Based on the investigation, the unauthorized party may have had access to your [REDACTED]. **Your Social Security number, credit and debit card information, and/or financial information were not included.**

What We Are Doing

The security and privacy of your personal information contained within Arroyo systems is a top priority, and Arroyo is taking additional measures to protect this information. Since the incident, Arroyo has continued to strengthen their security posture by adding the following security controls: including resetting passwords, enabling Multi-Factor Authentication for user accounts, performing network scanning for malicious activity, and instituting security awareness training for employees.

In response to the incident, we are providing you with access to the following services:

We are offering identity theft protection services through IDX, the data breach and recovery services expert. IDX identity protection services include: 12 months of credit and CyberScan monitoring, a \$1,000,000 insurance reimbursement policy, and fully managed id theft recovery services. With this protection, IDX will help you resolve issues if your identity is compromised.

What You Can Do

We encourage you to remain vigilant against incidents of identity theft and fraud, to review your account statements, and to monitor your credit reports for suspicious or unauthorized activity. Additionally, security experts suggest that you contact your financial institution and all major credit bureaus to inform them of such a breach and then take whatever steps are recommended to protect your interests, including the possible placement of a fraud alert on your credit file. Please review the enclosed *Additional Important Information*, to learn more about how to protect against the possibility of information misuse.

You may also activate the credit monitoring services we are making available to you.

We encourage you to contact IDX with any questions and to enroll in the free identity protection services by calling [REDACTED] or going to <https://app.idx.us/account-creation/protect> and using the Enrollment Code provided above. IDX representatives are available Monday through Friday from 9 am - 9 pm Eastern Time. Please note the deadline to enroll is July 27, 2023.

Again, at this time, there is no evidence that your information has been misused. However, we encourage you to take full advantage of this service offering. IDX representatives have been fully versed on the incident and can answer questions or concerns you may have regarding protection of your personal information.

Other Important Information

We recognize that you may have questions not addressed in this letter. If you have additional questions, please call [REDACTED] or go to <https://app.idx.us/account-creation/protect> for assistance or for any additional questions you may have.

You will find detailed instructions for enrollment on the enclosed Recommended Steps document. Also, you will need to reference the enrollment code at the top of this letter when calling or enrolling online, so please do not discard this letter.

Arroyo sincerely regrets any inconvenience or concern that this matter may cause, and remains dedicated to ensuring the privacy and security of all information in our control.

Sincerely,

Arroyo Insurance Services, Inc.

Additional Important Information

For residents of Hawaii, Michigan, Missouri, Virginia, Vermont, and North Carolina: It is recommended by state law that you remain vigilant for incidents of fraud and identity theft by reviewing credit card account statements and monitoring your credit report for unauthorized activity.

For residents of Illinois, Iowa, Maryland, Missouri, North Carolina, Oregon, and West Virginia:

It is required by state laws to inform you that you may obtain a copy of your credit report, free of charge, whether or not you suspect any unauthorized activity on your account. You may obtain a free copy of your credit report from each of the three nationwide credit reporting agencies. To order your free credit report, please visit www.annualcreditreport.com, or call toll-free at 1-877-322-8228. You can also order your annual free credit report by mailing a completed Annual Credit Report Request Form (available at <https://www.consumer.ftc.gov/articles/0155-free-credit-reports>) to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA, 30348-5281.

For residents of Iowa:

State law advises you to report any suspected identity theft to law enforcement or to the Attorney General.

For residents of Oregon:

State laws advise you to report any suspected identity theft to law enforcement, including the Attorney General, and the Federal Trade Commission.

For residents of Maryland, Rhode Island, Illinois, New York, and North Carolina:

You can obtain information from the Maryland and North Carolina Offices of the Attorney General and the Federal Trade Commission about fraud alerts, security freezes, and steps you can take toward preventing identity theft.

Maryland Office of the Attorney General Consumer Protection Division 200, St. Paul Place Baltimore, MD 21202 1-888-743-0023 www.oag.state.md.us

Rhode Island Office of the Attorney General Consumer Protection 150 South Main Street, Providence RI 02903 1-401-274-4400 www.riag.ri.gov

North Carolina Office of the Attorney General Consumer Protection Division, 9001 Mail Service Center Raleigh, NC 27699-9001 1-877-566-7226 www.ncdoj.com

Federal Trade Commission Consumer Response Center, 600 Pennsylvania Ave, NW Washington, DC 20580 1-877-IDTHEFT (438-4338) www.ftc.gov/idtheft

New York Office of Attorney General Consumer Frauds & Protection, The Capitol Albany, NY 12224 1-800-771-7755 <https://ag.ny.gov/consumer-frauds/identity-theft>

For residents of Massachusetts: It is required by state law that you are informed of your right to obtain a police report if you are a victim of identity theft

For residents of all states:

Fair Credit Reporting Act: You are also advised that you may have additional rights under the federal Fair Credit Reporting Act.

Fraud Alerts: You can place fraud alerts with the three credit bureaus by phone and online with Equifax (https://assets.equifax.com/assets/personal/Fraud_Alert_Request_Form.pdf); TransUnion (<https://www.transunion.com/fraud-alerts>); or Experian (<https://www.experian.com/fraud/center.html>). A fraud alert tells creditors to follow certain procedures, including contacting you, before they open any new accounts or change your existing accounts. For that reason, placing a fraud alert can protect you, but also may delay you when you seek to obtain credit. As of September 21, 2018, initial fraud alerts last for one year. Victims of identity theft can also get an extended fraud alert for seven years. The phone numbers for all three credit bureaus are at the bottom of this page.

Monitoring: You should always remain vigilant and monitor your accounts for suspicious or unusual activity.

Security Freeze: You also have the right to place a security freeze on your credit report. A security freeze is intended to prevent credit, loans, and services from being approved in your name without your consent. To place a security freeze on your credit report, you need to make a request to each consumer reporting agency. You may make that request by certified mail, overnight mail, regular stamped mail, or by following the instructions found at the websites listed below. The following information must be included when requesting a security freeze (note that if you are requesting a credit report for your spouse or a minor under the age of 16, this information must be provided for him/her as well): (1) full name, with

middle initial and any suffixes; (2) Social Security number; (3) date of birth; (4) current address and any previous addresses for the past five years; and (5) any applicable incident report or complaint with a law enforcement agency or the Registry of Motor Vehicles. The request must also include a copy of a government-issued identification card and a copy of a recent utility bill or bank or insurance statement. It is essential that each copy be legible, display your name and current mailing address, and the date of issue. As of September 21, 2018, it is free to place, lift, or remove a security freeze. You may also place a security freeze for children under the age of 16. You may obtain a free security freeze by contacting any one or more of the following national consumer reporting agencies:

Equifax Security Freeze

P.O. Box 105788
Atlanta, GA 30348
(800)-525-6285

[https://www.equifax.com/personal/
credit-report-services/credit-freeze/](https://www.equifax.com/personal/credit-report-services/credit-freeze/)

Experian Security Freeze

P.O. Box 9554
Allen, TX 75013
(888)-397-3742

www.experian.com/freeze

TransUnion (FVAD)

P.O. Box 2000
Chester, PA 19022
(800)-680-7289

freeze.transunion.com

More information can also be obtained by contacting the Federal Trade Commission listed above.