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November 7, 2022

Office of the Attorney General of Iowa
Hoover State Office Building
1305 E. Walnut Street
Des Moines, IA 50319

Dear Attorney General Miller,

Heritage Life Insurance Company ("Heritage") is submitting this notice to update our earlier notification of a cybersecurity event involving a ransomware event at our former information technology services provider, Inline Network Integration, LLC ("Inline"). Heritage has received additional details concerning the incident from Inline, and it has concluded its own investigation into an internal shared drive impacted by the incident. Heritage requests that the information furnished here remain confidential.

On March 12, 2022, Inline informed Heritage that it had experienced a ransomware attack, which disrupted Heritage's customer call center and Heritage's systems for processing transactions and related data (e.g. redemptions, surrenders, beneficiary changes, etc.). Although Inline will not share its full forensic report with us, Heritage has learned that Inline's forensic investigation revealed that attackers exploited the Log4Shell vulnerability at Inline's central management server for its virtual environment on March 11, 2022, a day before the ransomware attack on March 12, 2022. According to Inline, the exploit activity was traced to an IP address geolocated in China. However, Inline reports that suspicious activity, including the removing, adding, and refreshing of certificates, was identified on its network as early as November 17, 2021.

Heritage has now concluded its own investigation into two of Heritage's servers containing nonpublic data that were encrypted during the attack. The first server contained a policy record change management system, which in turn contained personal information in the form of names and Social Security numbers for 58,144 individuals. Although there was no evidence that threat actors acquired or exfiltrated the information, Heritage made the decision, out of an abundance of caution, to notify all potentially impacted individuals. These individuals were notified by mail and offered complimentary identity theft and credit monitoring on July 14, 2022.

The second encrypted server contained an internal shared file drive. Heritage hired a team of over 20 people to manually review the contents of the drive, including roughly 34,000 documents, for the presence of personal information. The review identified personal information related to policyholders and beneficiaries in the form of names, Social Security numbers, driver's license numbers, financial account numbers, and medical information. Heritage worked with Inline to notify and offer 12 months of free identity theft protection and credit monitoring to any potentially impacted individuals who were not notified during the initial mailing, or for whom additional personal information was identified, including 248 Iowa residents. Inline mailed these letters on October 25.

Largely as a result of this incident, Heritage has terminated its contract with Inline and has migrated to a new IT service provider, Managed Services Solutions. Heritage has contractual guarantees in place with its new IT service provider to maintain "appropriate administrative, technical, organizational and physical security measures" to protect against unauthorized access, disclosure, or loss. Heritage's new IT service provider will also obtain a certificate of compliance with the ISO 27001 Information Security Management System standard from a nationally accredited body within one year of the effective date, and will remain compliant for the duration of the agreement. Managed Services Solutions has agreed to demonstrate its ongoing compliance by providing Heritage with a current copy of its ISO 27001 certification of compliance upon request.

Should you have any questions please do not hesitate to contact me or Alexander Sand (AlexanderSand@eversheds-sutherland.com or +1.512.721.2721).

Sincerely,

Michael Bahar
Partner
Eversheds Sutherland (US) LLP