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Talcott Resolution

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June 26, 2023

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

RE: Data Security Event

Talcott Resolution Life Insurance Company and its affiliate Talcott Resolution Life and Annuity Insurance Company (collectively "Talcott Resolution") are submitting this notice to provide your office with information regarding a cybersecurity event that likely resulted in unauthorized access to consumer personal information ("PI").

Talcott Resolution is domiciled in Windsor, Connecticut and provides life, annuity, and other insurance products and provides risk and capital management services for the insurance industry.

On June 4, Talcott Resolution was informed by its vendor, PBI Research Services ("PBI"), that Talcott Resolution records PBI maintained were subject to unauthorized access related to the recently publicized MOVEit vulnerability (CVE-2023-34362). This vulnerability existed in a file transfer service offered by Progress Software, which PBI uses to transfer certain data related to Talcott Resolution's insurance customers. The attackers are believed to be the "CL0P" group. Based on PBI's forensic investigation, as well as from public and government sources, the vulnerability allowed unauthorized actors to gain access to information within the MOVEit file transfer portal and exfiltrate data.

On June 7, in response to our question, PBI informed Talcott Resolution that the nature of the vulnerability allowed the attackers to bypass the encryption in place on the MOVEit portal and obtain the data in plaintext. While awaiting the results of PBI's analysis, we assessed on June 11, through analyzing what we sent to PBI via PBI's MOVEit file transfer service, that affected data likely included name, date of birth, Social Security Number, and policy number. On June 21, PBI provided additional information on the total number of individuals and the specific files affected based on its internal forensic investigation. Based on the additional information provided, on June 26, Talcott was able to determine that 5,677 Iowa residents have likely been affected. We will ensure that any impacted individuals are notified and offered free credit monitoring and identity theft protection.

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Talcott Resolution has not sent any data to PBI since April of 2023. We understand PBI has patched the vulnerabilities and we continue to evaluate possible further steps to address the situation with PBI. We also continue to engage with PBI on its investigation, however, we expect there will be limited recourse to recover the information the attackers stole.

Talcott Resolution actively assesses and manages the cybersecurity risk posed by its third party service providers, including PBI. In fact, prior to this incident, Talcott Resolution recently targeted PBI for a cybersecurity assessment, and engaged a third party to perform a review and assessment of PBI's cybersecurity risk and controls. Additionally, Talcott Resolution contracts¹ with PBI to require cybersecurity controls including the following:

1. Maintain information security safeguards current in light of applicable law and best practices;
2. It will complete an annual SOC 2, Type II audit and quarterly network vulnerability scan and provide copies of the results and audits upon request;
3. It will maintain documented information security policies, including a business continuity plan;
4. It will encrypt production data maintained to provide its services both in transit and at rest using commercial-grade and industry-standard methods;
5. It will maintain data in the United States;
6. Prompt notification of a security event; and
7. Restrict access to use of data to certain individuals.

We notified our primary insurance regulators beginning June 8, and continue to notify and update other regulators. While we have not notified law enforcement of this incident, we understand PBI and other entities have notified them. We will update your office as to any material developments as more information becomes available.

Should you have any questions please do not hesitate to contact our outside counsel: Michael Bahar (MichaelBahar@eversheds-sutherland.com or +1.202.383.0882) or Alexander Sand (AlexanderSand@eversheds-sutherland.com or +1.512.721.2721).

Thanks,



Lisa M. Proch
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¹ Note that, as a result of an acquisition, there are two contracts governing Talcott Resolution's relationship with PBI. The information described here is in reference to the main contract entered into directly by Talcott Resolution with PBI.