



**PERSONAL INFORMATION PROTECTION ACT**  
**Breach Notification Decision**

<b>Organization providing notice under section 34.1 of PIPA</b>	State Farm Fire and Casualty Company and State Farm Mutual Automobile Insurance Company (the Organizations)
<b>Decision number (file number)</b>	P2016-ND-03 (File #P2551)
<b>Date notice received by OIPC</b>	December 23, 2013
<b>Date Organization last provided information</b>	June 2, 2014
<b>Date of decision</b>	January 14, 2016
<b>Summary of decision</b>	There is a real risk of significant harm to the individuals affected by this incident. The Organizations are required to notify those individuals pursuant to section 37.1 of the <i>Personal Information Protection Act</i> (PIPA).
<b>JURISDICTION</b>	
<b>Section 1(1)(i) of PIPA “organization”</b>	State Farm Fire and Casualty Company is incorporated in the State of Illinois under the Illinois Insurance Code and operates in Alberta. State Farm Mutual Automobile Insurance Company is incorporated federally and operates in Alberta. The Organizations are “organizations” as defined in section 1(1)(i) of PIPA.
<b>Section 1(1)(k) of PIPA “personal information”</b>	The incident involved the following information: <ul style="list-style-type: none"><li>• name,</li><li>• credit card numbers and expiry dates, and</li><li>• insurance policy numbers.</li></ul> This information is about identifiable individuals and is “personal information” as defined in section 1(1)(k) of PIPA.
<b>DESCRIPTION OF INCIDENT</b>	
<input type="checkbox"/> loss <input checked="" type="checkbox"/> unauthorized access <input type="checkbox"/> unauthorized disclosure	

<p><b>Description of incident</b></p>	<ul style="list-style-type: none"> <li>• An employee of the Organizations accessed and used customers’ credit cards to make unauthorized payments of insurance premiums.</li> <li>• On July 10, 2013, upon notification of a police investigation of the employee, the Organizations commenced a systems and financial review.</li> <li>• The review showed that between December 2010 and October 2013, the credit cards of seven customers were used to pay the employee’s own insurance premiums and those of other customers.</li> </ul>
<p><b>Affected individuals</b></p>	<p>Seven (7) customers were affected.</p>
<p><b>Steps taken to reduce risk of harm to individuals</b></p>	<ul style="list-style-type: none"> <li>• A systems and financial review was completed. No evidence was found to indicate that any other personal information of the affected customers, or others, was misused or breached.</li> <li>• All affected customers were contacted by telephone and confirmed the misuse of their credit card.</li> <li>• The employee was terminated.</li> <li>• The Alberta Insurance Council was notified.</li> <li>• Customers were reimbursed for unauthorized payments.</li> <li>• Affected customers were offered a free 12-month subscription to a credit monitoring and identity theft protection service.</li> </ul>
<p><b>Steps taken to notify individuals of the incident</b></p>	<ul style="list-style-type: none"> <li>• Initial telephone contact was made with each affected customer.</li> <li>• Affected individuals were notified by letter on December 6, 2013.</li> </ul>
<p><b>REAL RISK OF SIGNIFICANT HARM ANALYSIS</b></p>	
<p><b>Harm</b> Some damage or detriment or injury that could be caused to affected individuals as a result of the incident. The harm must also be “significant.” It must be important, meaningful, and with non-trivial consequences or effects.</p>	<p>The Organizations reported that the “the harm relates to the improper payments of insurance premiums using the credit cards” of the affected individuals.</p> <p>In my view, the personal information involved is sensitive (credit card information). The information could be used to cause the harms of identity theft, fraud and financial loss. These are significant harms.</p>

<p><b>Real Risk</b>  The likelihood that the significant harm will result must be more than mere speculation or conjecture. There must be a cause and effect relationship between the incident and the possible harm.</p>	<p>The Organizations reported that harm has resulted from this incident in that the credit cards of the affected individuals were used to make unauthorized payments. The Organizations also noted the employee is no longer employed by them.</p> <p>In my view, there is a real risk of harm resulting from this incident, and that harm has materialized. Although the employee was terminated, this does not eliminate the possibility that the employee made and kept a record of the credit card information prior to leaving the Organizations.</p>
<p><b>DECISION UNDER SECTION 37.1(1) OF PIPA</b></p>	
<p>Based on the information provided by the Organizations and given the circumstances of the incident, I have decided that there is a real risk of significant harm to the affected individuals. The personal information involved is sensitive and could be used to cause the significant harms of identity theft, fraud and financial loss. The information was used to make unauthorized payments.</p> <p>I require the Organizations to notify the affected individuals in accordance with section 19.1 of the <i>Personal Information Protection Act Regulation</i> (Regulation).</p> <p>I understand the Organizations notified the affected individuals by telephone and a letter mailed on December 6, 2013, in accordance with the Regulation. The Organizations are, therefore, not required to notify the affected individuals again.</p>	

Jill Clayton  
Information and Privacy Commissioner