

Q&A – Security Monitoring Program

1. What is changing and who is impacted?

- ☐ Equifax will be implementing a Security Monitoring Program fee increase for existing or new customers
- ☐ All customers will be impacted; regardless if the client is small, large, pulling a few reports, or many
- ☒ This program was rolled out in 2011 at \$60 per credit union. The new fee structure for Credit Unions is **\$150** (per organization)

2. How is this being communicated?

- ☐ Phase 1 - Two separate communications were sent on April 30th, effective with June 1st: an invoice message to those already paying the \$60 advising them of the increase to \$85, and a tailored letter mailed to 2073 consumer customers advising them that they will begin to see this \$85 fee as of June 1st. **This phase is now complete.**
- ☐ Phase 2 - Credit Unions
 - i. Rationale: all CUs were first billed the fee in Dec 2011 and we are negotiating long term contracts with some major CUs in the first half (Vancity, Coast Capital)
 - ii. A tailored letter will be sent to each of our Credit Union members prior to November 1st. The new pricing will take effect on **December 1, 2012**.
 - iii. Exception will be Mercado Capital Corp, Concentra Financial, and Bayview Credit Union Ltd. as they were just charged the \$85 rate in June

3. What is the rate for the Security Monitoring Program for Credit Unions?

- ☐ Credit Union pricing is \$150 *per credit union* per year (average 2 member #'s)

4. Why are we charging for this program?

- ☐ Equifax prides itself on being a trusted steward of personal information and is committed to protecting the privacy of all personal information under its control. This commitment extends to protecting our member community from unauthorized user access. Any data breach, no matter the size, could expose our members to significant legal, reputational and financial risks. By responding to a data breach quickly and effectively, the impact to our members' business is minimized. As such, Equifax has taken proactive measures to provide security monitoring as a mandatory program to our members. Equifax has invested in technology and resources to implement this program and those costs are being passed to our member base.

Q&A – Security Monitoring Program

5. What if a customer disputes the fee, or the increase? What is the escalation path?

- ☐ The waiving of the Security Monitoring Program annual fee is **not optional**, nor is waiving the difference between the old and new pricing.
- ☐ Advise the client about the risks of fraudulent activity to their business (see points 6 & 7)
- ☐ Failing these attempts, the Sales Rep is not authorized to waive the fee, and should therefore refer the client to their direct manager (Robert Tkalec or Tim Ashby)
- ☐ Tim and Robert will assess the matter and provide their approval to waive the fee for 2012 if deemed appropriate, and will advise the client to budget for the fee again in 2013 as this is an annual fee (SMG Product Code) will not be removed from billings set up and client will see the fee again in 2013
- ☐ Tim/Robert will send a message to GBS indicating they approve waiving the fee – without this approval GBS will advise this step is required before they can proceed

6. What message should I provide about the benefits of the Security Monitoring Reports?

- ☐ Avoid costly consequences of a data breach
 - o Security breaches may cause direct financial, legal and reputational consequences to their business, derived by unauthorized use of systems.
 - o Breaches need to be reported to the privacy commissioner office, which in turn may translate into significant fines.
- ☐ The Equifax Security Monitoring Program is a less expensive solution versus the customer investing the resources to perform the service themselves.
- ☐ It is a proven fraud detection program (see example in #7)
- ☐ It is an effective fraud deterrent as they know Equifax is watching/monitoring

7. Have there ever been any cases that were considerably mitigated by this program?

- ☐ There have been two major fraud cases (Mortgage brokerage incident, Auto Dealership incident) which were considerably mitigated by Securities monitoring reports
- ☐ More than 30 incidents have been flagged in 2011 and alerts have been sent to the affected members (in the mortgage and auto loan business)

8. What could happen in the case of a security breach?

- ☐ Equifax will suspend the client member # and conduct an immediate investigation
- ☐ The client would have to report the breach to the privacy commissioner (which could impose a hefty fine)
- ☐ The client would have to put in place stringent security controls which may come with considerable cost

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9. What is included in this program? And is Equifax really “doing” anything for me?

- ☐ Equifax is providing the following for all clients:
 - ☐ Daily Monitoring
 - o Equifax will monitor and audit the covered member employee's activities on a daily basis so any irregular behaviour can be detected and dealt with quickly.
 - ☐ Monthly and Yearly Trend Monitoring
 - o Equifax will also track activity from month to month and year to year to further safeguard against unauthorized activity.
 - ☐ Suspicious Activity Alerts
 - o If we notice any potentially suspicious activity, Equifax will inform members immediately so they can investigate the matter.
 - ☐ Breach Counselling
 - o If Equifax members' data is ever compromised, Equifax can help them determine how to best address the security breach and direct them to the most appropriate Equifax Breach Assistance Solution, if required

10. Is Security Monitoring Program incorporated into all future agreements?

- ☐ Currently no
- ☐ Formal decision still pending regarding incorporating the Security Monitoring Program into new member agreements as part of the on-boarding process
- ☐ It is conceivable that Security Monitoring Program will be handled the same way the MBR and MIN fees are handled now, listed on the On Boarding agreements but not with an amount specified, as this fee is subject to annual increases
- ☐ Marketing will work with Account Services/Legal to finalize this decision