

September 4, 2025

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**Via Online Portal:**

**Attorney General Mike Hilgers**  
Office of the Attorney General  
Consumer Affairs Response Team  
2115 State Capitol  
Lincoln, NE 68509

**Re: Supplemental Notice of Third-Party Cybersecurity Incident (WaterStreet Company) Impacting Velocity Risk Underwriters, LLC**

Dear Attorney General Hilgers:

Wilson Elser Moskowitz Edelman and Dicker LLP (“Wilson Elser”) represents Velocity Risk Underwriters, LLC (“Velocity”), located at 10 Burton Hills Blvd., Suite 300, Nashville, Tennessee 37215, with respect to a cybersecurity incident that was discovered by Velocity’s prior third-party vendor, WaterStreet Company (“WaterStreet”) on or about March 17, 2025 (hereinafter, the “Incident”). Please accept this as a supplement to Velocity’s prior notification it provided your office. Velocity takes the security and privacy of the information it receives very seriously and have taken steps to prevent a similar incident from occurring in the future.

This letter will serve to provide you with an update regarding the nature of the Incident, what information may have been compromised, the number of Nebraska residents being notified, and the steps that have been taken in response to the Incident. We have also enclosed hereto a copy of the individual notice letter template that was used to provide notice to the impacted individuals.

**1. Nature of the Incident**

On April 28, 2025, Velocity received notice from its prior third-party vendor, WaterStreet, which previously provided back-office/policy administrative services for Velocity, that WaterStreet had discovered suspicious activity related to its environment on March 17, 2025, and information related to Velocity may have been impacted.

WaterStreet advised that, upon discovery of this Incident, it immediately shutdown the potentially affected systems. WaterStreet also launched an investigation and worked with subject matter specialists to determine the nature and scope of the event. The investigation determined that an unauthorized individual accessed certain WaterStreet data on March 17, 2025. WaterStreet then

worked to conduct a diligent and comprehensive review process to identify sensitive information that may have been contained within the impacted systems, and to identify the individuals whose information may have been impacted. WaterStreet then worked to identify contact information for the impacted individuals.

On June 26, 2025, WaterStreet provided data files to Velocity which identified the business clients and individuals associated with Velocity that were potentially impacted by this incident and the types of information that may have been compromised. Velocity reviewed the data files to confirm the types of information potentially compromised, verify the potentially affected individuals involved with its business and identify the clients associated with these individuals, locate the individuals' mailing addresses, and remove duplicates.

On or about July 14, 2025, based on Velocity's preliminary review, Velocity estimated that approximately 10 residents of Nebraska may have been impacted by his incident. On August 22, 2025, Velocity completed its review and final data file (which removed duplicates and corporate entities) and provided these files to WaterStreet for purposes of notifying the potentially impacted individuals. On August 28, 2025, WaterStreet provided Velocity with its post-NCOA (national change of address database) final state counts (and, on September 2, 2025, WaterStreet provided Velocity with the final, post-NCOA data file) which identified a total of 8 residents of Nebraska who may have been affected. Notably, WaterStreet was no longer providing services for Velocity at the time of the incident and the termination agreement provided that WaterStreet would not retain any data from Velocity.

The information potentially impacted for these individuals includes name, financial account information, and/or Social Security number (or Tax Identification Number). The information varies by individual.

As of this writing, Velocity has not received any reports of related identity theft or fraud since the date of the incident (March 17, 2025, to present).

## **2. Potentially Impacted individuals**

Based on its review, 8 residents of Nebraska may have been affected as a result of this Incident. A copy of the individual notice letter template that was mailed to the potentially affected individuals via United States first class mail is attached as **Exhibit A**.

## **3. Steps taken in response to the Incident**

Data privacy and security is among Velocity's highest priorities, and it is committed to doing everything it can to protect the privacy and security of the personal information in their care. Upon discovery of the Incident, WaterStreet began a comprehensive investigation into the circumstances involving WaterStreet's data security incident, actions undertaken by WaterStreet to secure its environment, WaterStreet's remediation measures in response to the Incident, and to determine what information involving Velocity was potentially impacted. WaterStreet advised that, in response to this Incident, it has changed/strengthened passwords, implemented enhanced technical safeguards and security measures, reviewed and revised existing policies and procedures, and

trained or retrained workforce members to further protect against similar incidents moving forward.

WaterStreet is providing notice to the affected individuals on behalf of Velocity. Although Velocity is not aware of any actual or attempted misuse of personal information resulting from the Incident, as an added precaution, WaterStreet is offering twelve months of complimentary access to credit monitoring services to all affected individuals. Individuals who wish to receive these services must enroll by following the enrollment instructions contained in the notice letter they will receive. The individual notice letters also provide guidance on how individuals can 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**

Velocity 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 [Jennifer.Stegmaier@wilsonelser.com](mailto:Jennifer.Stegmaier@wilsonelser.com) or 312-821-6167.

Very truly yours,

**Wilson Elser Moskowitz Edelman & Dicker LLP**



Jennifer S. Stegmaier

# **Exhibit A**

## **WaterStreet's Sample Individual Notice Letter Template**



P.O. Box 1907  
Suwanee, GA 30024

<<Name 1>> <<Name 2>>  
<<Address 1>>  
<<Address 2>>  
<<City>>, <<State>> <<Zip>>  
<<Country>>

Enrollment Code: <<XXXXXXXXXX>>

To Enroll, Scan the QR Code Below:



Or Visit:

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

September 3, 2025

## NOTICE OF [SECURITY INCIDENT] / [DATA BREACH]

Dear <<Name 1>> <<Name 2>>:

WaterStreet Company (“WaterStreet”) writes to make you aware of an event that may affect the security of some of your information. WaterStreet received your information in connection with services performed on behalf of [Data Owner]. While we are unaware of any attempted or actual misuse of your information at this time, we are providing you with this notice in an abundance of caution, to inform you of the incident, our response, and steps you may take to help protect your information, should you feel it is necessary to do so.

Please note this Incident did not occur to, nor involve, Velocity’s systems. Rather, the Incident occurred on WaterStreet’s system which contained certain personal information of individuals associated with insurance policies issued by Velocity and underwritten by State National Companies.

**What Happened?** On March 17, 2025, WaterStreet discovered suspicious activity related to its environment. WaterStreet promptly responded and launched an investigation to confirm the nature and scope of the incident and securely restore impacted computer systems to operability. The investigation determined that an unauthorized actor accessed certain files on March 17, 2025. We conducted a thorough review of the files acquired to confirm whether it contained any sensitive information. Our review determined that personal information related to certain individuals was impacted by this event. We are notifying you because that investigation determined certain information related to you was contained within the impacted files.

**What Information Was Involved?** The review determined the following information related to you was present in the impacted files: your name and [impacted data elements].

**What We Are Doing.** The confidentiality, privacy, and security of personal information is among WaterStreet’s highest priorities, and we have security measures in place to protect information in our care. Upon discovery, we promptly commenced an investigation to confirm the nature and scope of this incident. This investigation and response included confirming the security of our systems, reviewing the contents of relevant data for sensitive information, and notifying potentially impacted individuals. While we have measures in place to protect information in our care, as part of our ongoing commitment to the privacy of information, we continue to review our policies, procedures and processes related to the storage and access of personal information to reduce the likelihood of a similar future event. We will also notify applicable regulatory authorities as necessary.

As an added precaution, we are also offering [12/24] months of complimentary access to credit monitoring services through IDX. Individuals who wish to receive these services must enroll by following the below enrollment instructions, as we are unable to enroll you in the services on your behalf. Please note the deadline to enroll is December 3, 2025.

**What You Can Do.** We encourage you to remain vigilant against incidents of identity theft and fraud and to review your account statements and credit reports for suspicious activity and to detect errors. You can review the enclosed *Steps You Can Take To Help Protect Personal Information* to learn helpful tips on steps you can take to protect against possible information misuse, should you feel it appropriate to do so.

**For More Information.** We understand that you may have questions about this incident that are not addressed in this letter. If you have additional questions, or need assistance, please call our dedicated assistance line at 1-877-686-1080, Monday through Friday from 9 am - 9 pm Eastern Time.

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

Sincerely,

WaterStreet Company

## STEPS YOU CAN TAKE TO HELP PROTECT PERSONAL INFORMATION

### **Enroll in Monitoring Services**

**1. Website and Enrollment.** Scan the QR image or go to <https://app.idx.us/account-creation/protect> and follow the instructions for enrollment using your Enrollment Code provided at the top of the letter.

**2. Activate the credit monitoring** provided as part of your IDX identity protection membership. The monitoring included in the membership must be activated to be effective. Note: You must have established credit and access to a computer and the internet to use this service. If you need assistance, IDX will be able to assist you.

**3. Telephone.** Contact IDX at 1-877-686-1080 to gain additional information about this event and speak with knowledgeable representatives about the appropriate steps to take to protect your credit identity.

### **Monitor Your Accounts**

Under U.S. law, a consumer is entitled to one free credit report annually from each of the three major credit reporting bureaus, Equifax, Experian, and TransUnion. To order a free credit report, visit [www.annualcreditreport.com](http://www.annualcreditreport.com) or call, toll-free, 1-877-322-8228. Consumers may also directly contact the three major credit reporting bureaus listed below to request a free copy of their credit report.

Consumers have the right to place an initial or extended “fraud alert” on a credit file at no cost. An initial fraud alert is a 1-year alert that is placed on a consumer’s credit file. Upon seeing a fraud alert display on a consumer’s credit file, a business is required to take steps to verify the consumer’s identity before extending new credit. If consumers are the victim of identity theft, they are entitled to an extended fraud alert, which is a fraud alert lasting seven years. Should consumers wish to place a fraud alert, please contact any of the three major credit reporting bureaus listed below.

As an alternative to a fraud alert, consumers have the right to place a “credit freeze” on a credit report, which will prohibit a credit bureau from releasing information in the credit report without the consumer’s express authorization. The credit freeze is designed to prevent credit, loans, and services from being approved in a consumer’s name without consent. However, consumers should be aware that using a credit freeze to take control over who gets access to the personal and financial information in their credit report may delay, interfere with, or prohibit the timely approval of any subsequent request or application they make regarding a new loan, credit, mortgage, or any other account involving the extension of credit. Pursuant to federal law, consumers cannot be charged to place or lift a credit freeze on their credit report. To request a credit freeze, individuals may need to provide some or all of the following information:

1. Full name (including middle initial as well as Jr., Sr., II, III, etc.);
2. Social Security number;
3. Date of birth;
4. Addresses for the prior two to five years;
5. Proof of current address, such as a current utility bill or telephone bill;
6. A legible photocopy of a government-issued identification card (state driver’s license or ID card, etc.); and
7. A copy of either the police report, investigative report, or complaint to a law enforcement agency concerning identity theft if they are a victim of identity theft.

Should consumers wish to place a credit freeze or fraud alert, please contact the three major credit reporting bureaus listed below:

| <b>Equifax</b>                                                                                                                  | <b>Experian</b>                                                             | <b>TransUnion</b>                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <a href="https://www.equifax.com/personal/credit-report-services/">https://www.equifax.com/personal/credit-report-services/</a> | <a href="https://www.experian.com/help/">https://www.experian.com/help/</a> | <a href="https://www.transunion.com/data-breach-help">https://www.transunion.com/data-breach-help</a> |
| 1-888-298-0045                                                                                                                  | 1-888-397-3742                                                              | 1-833-799-5355                                                                                        |
| Equifax Fraud Alert, P.O. Box 105069<br>Atlanta, GA 30348-5069                                                                  | Experian Fraud Alert, P.O. Box<br>9554, Allen, TX 75013                     | TransUnion, P.O. Box 2000,<br>Chester, PA 19016                                                       |
| Equifax Credit Freeze, P.O. Box 105788<br>Atlanta, GA 30348-5788                                                                | Experian Credit Freeze, P.O.<br>Box 9554, Allen, TX 75013                   | TransUnion, P.O. Box 160,<br>Woodlyn, PA 19094                                                        |

### **Additional Information**

Consumers may further educate themselves regarding identity theft, fraud alerts, credit freezes, and the steps they can take to protect your personal information by contacting the consumer reporting bureaus, the Federal Trade Commission, or their state Attorney General. The Federal Trade Commission may be reached at: 600 Pennsylvania Avenue NW, Washington, D.C. 20580; [www.identitytheft.gov](http://www.identitytheft.gov); 1-877-ID-THEFT (1-877-438-4338); and TTY: 1-866-653-4261. The Federal Trade Commission also encourages those who discover that their information has been misused to file a complaint with them. Consumers can obtain further information on how to file such a complaint by way of the contact information listed above. Consumers have the right to file a police report if they ever experience identity theft or fraud. Please note that in order to file a report with law enforcement for identity theft, consumers will likely need to provide some proof that they have been a victim. Instances of known or suspected identity theft should also be reported to law enforcement and the relevant state Attorney General. This notice has not been delayed by law enforcement.

*For District of Columbia residents*, the District of Columbia Attorney General may be contacted at: 400 6th Street, NW, Washington, D.C. 20001; (202) 442-9828; and [oag.dc.gov](http://oag.dc.gov).

*For Maryland residents*, the Maryland Attorney General may be contacted at: 200 St. Paul Place, 16th Floor, Baltimore, MD 21202; 1-410-576-6300 or 1-888-743-0023; and <https://www.marylandattorneygeneral.gov/>.

*For New Mexico residents*, consumers have rights pursuant to the Fair Credit Reporting Act, such as the right to be told if information in their credit file has been used against them, the right to know what is in their credit file, the right to ask for their credit score, and the right to dispute incomplete or inaccurate information. Further, pursuant to the Fair Credit Reporting Act, the consumer reporting bureaus must correct or delete inaccurate, incomplete, or unverifiable information; consumer reporting agencies may not report outdated negative information; access to consumers' files is limited; consumers must give consent for credit reports to be provided to employers; consumers may limit "prescreened" offers of credit and insurance based on information in their credit report; and consumers may seek damages from violators. Consumers may have additional rights under the Fair Credit Reporting Act not summarized here. Identity theft victims and active-duty military personnel have specific additional rights pursuant to the Fair Credit Reporting Act. We encourage consumers to review their rights pursuant to the Fair Credit Reporting Act by visiting [www.consumerfinance.gov/f/201504\\_cfpb\\_summary\\_your-rights-under-fcra.pdf](http://www.consumerfinance.gov/f/201504_cfpb_summary_your-rights-under-fcra.pdf), or by writing Consumer Response Center, Room 130-A, Federal Trade Commission, 600 Pennsylvania Ave. N.W., Washington, D.C. 20580.

*For New York residents*, the New York Attorney General may be contacted at: Office of the Attorney General, The Capitol, Albany, NY 12224-0341; 1-800-771-7755; or <https://ag.ny.gov>.

*For North Carolina residents*, the North Carolina Attorney General may be contacted at: 9001 Mail Service Center, Raleigh, NC 27699-9001; 1-877-566-7226 or 1-919-716-6000; and [www.ncdoj.gov](http://www.ncdoj.gov).

*For Rhode Island residents*, the Rhode Island Attorney General may be reached at: 150 South Main Street, Providence, RI 02903; [www.riag.ri.gov](http://www.riag.ri.gov); and 1-401-274-4400. Under Rhode Island law, individuals have the right to obtain any police report filed in regard to this event. There are approximately 14 Rhode Island residents that may be impacted by this event.