Identity Theft On The Rise For The Second Year In A Row; Insurance Coverage Is Available For Consumers

October Is National Cyber Security Awareness Month

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NEW YORK, October 14, 2014? Identity theft is happening everywhere. Data from retail stores, hotels, banks and other businesses are being stolen and misused?and data theft scams are likely to increase as the holiday season approaches, according to the Insurance Information Institute.

Identity fraud is on the rise for the second year in a row, affecting more than 13 million consumers in 2013, according to the Federal Trade Commission. Consumers suffered total fraud losses of more \$18 billion, averaging \$2,294 per incident, and more than 11 hours trying to resolve the average case.

October is National Cyber Security Awareness Month, a reminder for consumers to review their bank statements and credit card bills to confirm that all the transactions listed are legitimate. Individuals should also be vigilant when using their smartphones, tablets and other devices that store personal information digitally.

Most homeowners and renters policies provide coverage for theft of money or credit cards; however, the amount of coverage is limited?usually \$200 in cash and \$50 on each credit card. Once you have reported the loss or theft of your credit card to the issuing company, you are responsible for only \$50 of unauthorized use.

Some insurers include coverage for identity theft as part of their homeowners insurance policies. Other companies sell more comprehensive coverage as a stand-alone policy or as an endorsement to a homeowners or renters insurance policy.

Identity theft insurance provides reimbursement to crime victims for the cost of restoring their identity and

repairing credit reports. It generally covers expenses such as phone bills, lost wages, notary and certified mailing costs, fees when reapplying for loans, grants or other credit instruments and sometimes attorney fees (with the prior consent of the insurer).

Some companies also offer restoration or resolution services to guide you through the process of recovering your identity, which can include working with credit card companies, credit bureaus, creditors and businesses on your behalf to correct any covered identify fraud issues. Identity theft insurance will reimburse a policyholder for expenses incurred to restore his or her identity, up to the limits stated in the policy. Coverage limits can range from \$10,000 to \$1 million.

To help protect your identity, the I.I.I. offers the following detailed tips.

If you believe you have been victimized, report the crime immediately to the credit card issuer and police. Ask for a copy of the police report. You will need it if you want to file an insurance claim or report the crime to the FTC for their assistance. Victims of identity fraud can call the Federal Trade Commission at 877-IDTHEFT.

RELATED LINKS

Article: Identity Theft Insurance

White Paper: Cyber Risks: The Growing Threat

Facts and Statistics: Identity Theft and Cyber Security

ADDITIONAL RESOURCES

Federal Trade Commission: Identity Theft, Privacy & Security

Federal Bureau of Investigation: Tips for Avoiding Identity Theft

U.S. Department of Justice: Identity Theft and Identity Fraud

MyFico.com

The I.I.I. has a full library of educational videos on its You Tube Channel. Information about I.I.I. mobile apps can be foundhere.

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