Protect Yourself from Identity Theft as the Holiday Shopping Season Begins

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New York Press Office: (212) 346-5500; media@iii.org

NEW YORK, **November 21, 2012** ?Holiday shoppers can reduce the chances of becoming an identity theft victim this year by taking some simple preventative measures, according to the Insurance Information Institute (I.I.I.).

?The hustle and bustle of the holidays creates the perfect opportunity for thieves bent on stealing your credit cards or other financial information,? said Jeanne M. Salvatore, senior vice president and consumer spokesperson for the I.I.I. ?Shoppers are tired, stores are crowded and it?s easy to become less guarded about personal information that appears on personal checks, drivers licenses and credit cards.?

Thieves can take information from identifying documents and use them to impersonate a victim, steal from bank accounts, establish phony insurance policies, or open unauthorized credit card accounts.

Identity fraud is defined as the unauthorized use of another person?s personal information to achieve illicit financial gain, said Javelin Strategy & Research, which reported a 13 percent increase in this type of illegal activity in 2011.

While many identity theft schemes rely on credit card data, there are many other ways of accessing a victim?s private financial information. Some employ electronic means, such as online "phishing? scams?where thieves use email inquiries purporting to be from financial or other online organizations seeking sensitive account information. And the advent of ?no-swipe? credit cards, which transmit account and user information through a radio frequency, makes it possible for identity thieves to use an electronic device to capture the information. And there are, of course, still the old-fashioned methods, such as ?dumpster diving,? rooting around in people?s garbage to collect financial information.

No matter what the ruse, identity theft victims are often left with lower credit scores and spend months trying to get their credit records corrected. Frequently they have difficulty getting credit, obtaining loans and, in some cases, even finding employment.

?Consumers should carefully monitor their bank balances and credit card bills to make sure that they actually made all of the transactions attributed to them,? said Salvatore.

More than half of all identity theft victims discover that their identity was stolen by monitoring their bank and credit card accounts, according to the Federal Trade Commission.

To help protect your identity this holiday season, the I.I.I. has the following tips:

- 1. Keep the amount of personal information in your purse or wallet to the bare minimum. Avoid carrying additional credit cards, your social security card, or passport, unless absolutely necessary.
- **2. Guard your credit card when making purchases.** Use your hand as a shield when using automatic teller machines (ATM) or making long distance phone calls with phone cards.
- **3.** Always take credit card or ATM receipts. Do *not* throw receipts into public trash containers, leave them on the counter or put them in your shopping bag where they can easily fall out or get stolen.
- **4. Proceed with caution when shopping online.** Make sure you are buying from a reputable, familiar retailer with a secure network. And *never* buy anything online from a site that does not have SSL (secure sockets layer) encryption installed?at the very least. You will know if the site has SSL because the URL for the site will start with HTTPS:// (instead of just HTTP://).
- **5. Monitor your accounts.** Do *not* rely on your credit card company or bank to alert you of suspicious activity. Carefully monitor your bank and credit card statements to make sure all transactions are accurate. If you suspect a problem, contact your credit card company or bank immediately
- **6.** When entering names, numbers and addresses into your electronic device, keep them as generic as possible. Include only as much information as is necessary, and never use monikers like ?Hubby,? ?Sweetheart,? ?Best Friend,? or ?Mom and Dad.? Do not store important social security or banking information on your personal digital assistant (PDA) or cell phone?if it is stolen, the thief will have all the necessary information to use your identity.
- 7. Place passwords on your credit card, bank and phone accounts. When creating a password, avoid using easily available information like your mother?s maiden name, your birth date, any part of your social security number or phone number, or any series of consecutive numbers.
- **8. Do not give out personal information.** Whether on the phone, through the mail or over the Internet, do not divulge sensitive information or your social security number unless you initiated the contact, are familiar with the person or company and are confident that they have a secure line.
- **9. Shred, shred.** Tear or shred any documents that contain personal information such as credit card numbers, bank statements, charge receipts or credit card applications, before disposing of them.

Identity Theft Insurance

Identity theft insurance, when purchased as a stand-alone policy, often 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, and sometimes attorney fees (with the prior consent of the insurer). Some insurance companies also offer restoration or resolution services to guide you through the process of recovering your identity. An insurance professional can help you find out what kind of coverage you may already have or offer details on what additional coverage you need.

A number of insurers now include coverage for identity theft as part of their homeowners insurance policy. Other companies sell it as an endorsement to a homeowners or renters insurance policy, which can run about

\$25-\$50 annually.

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 credit cards). 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.

In order to make it more difficult for identity thieves to open accounts in your name, you can also contact the fraud department of any of the three credit reporting agencies to place a fraud alert on your credit report?by law, the agency you contact is required to contact the other two agencies. The fraud alert tells creditors to contact you before opening any new accounts or making any changes to your existing accounts. The three major credit bureaus are Equifax, TransUnion and Experian.

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

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

Privacy Rights Clearing House (PRC) Identity Theft and Data Breaches

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