

## Identity theft coverage becoming a necessity

BY CB STAFF

It used to be that identity theft was something you only read about or happened to somebody else. However, according to recent statistics, close to 10 million U.S. adults were victims of some form of identity theft in 2008—an increase of 22% from 2007. And while there are a number of steps you can take to ensure that your personal information is protected from online hackers and other illegal entities, experts also recommend identity theft coverage as well.

Currently, some insurance companies include identity theft coverage in their homeowners or renters policies as an endorsement, or else as a stand-alone policy. Not only does this kind of coverage reimburse the policyholder for any expenses associated with the identity and credit restoration process (such as phone bills, lost wages, notary and certified mailing costs, attorney and document replacement fees), but it can also include additional services by a fraud specialist who will help victims through the process.

When looking for the right identity theft policy to fit your needs, you might want to consider these features. First, does the policy reimburse you for stolen funds? Not all policies offer this, so you want to make sure this is included. If so, how much? Is there a deductible? Also, if an identity fraud circumstance has completely depleted your cash, your policy might provide for emergency cash to meet your immediate needs as well. Some policies also provide credit monitoring services, that notify you if your credit report shows changes in employment, home address, new accounts

opened in your name and creditor inquiries.

Credit reporting companies also include coverage options when you sign up for their credit monitoring services. For example, by subscribing to Equifax's online 3-in-1 credit report service, which provides your current credit status from the three major credit bureaus (Equifax, TransUnion, and Experian), you also receive coverage related to lost wages as the result of time taken off from work to re-establish identity, loan application fees associated with refiling any loans rejected due to erroneous credit information as the result of the identity theft, notary and certified mailing costs for completing and delivering fraud affidavits, costs for related long distance phone calls, attorney fees incurred for defending suits brought incorrectly by creditors or collection agencies or any criminal or civil judgments, and lost monies (exclusive of interest and fees) from an unauthorized electronic transfer. Dedicated claims services are provided as well. When asked if subscribers in Puerto Rico were covered under this policy, the customer service representative confirmed that they were.

Even if you do take out an identity theft policy with your insurance agent or an online provider such as Equifax, this does not mean you should let your guard down when it comes to everyday precautions. These include keeping the amount of personal information in your purse or wallet to a bare minimum, shielding your cards from onlookers when using ATMs, buying from reputable companies when shopping online, limiting

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giving out personal information on the phone or through the Internet and avoiding for questionable email offers that seem too good to be true.

You should also closely monitor your credit and debit card statements and credit reports as often as possible, and shred or destroy any documents that contain personal information before disposing of them. The big three credit reporting agencies can also set up fraud alerts that tell creditors to contact you before opening any new accounts or making any changes to existing accounts. And if you do happen to be the victim of identity theft, be sure to report it to the police immediately and get a copy of the police report. You will need this for your insurance claim or to report the crime to the Federal Trade Commission.

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