

## **Shoppers Beware—Identity Thieves Are at a Mall Near You!**

### **January 2006**

While you're busy shopping for that perfect gift, criminals are also searching for a one-of-a-kind item—your identity. Shoppers should take special care to protect their identities from thieves, says the Insurance Information Institute (I.I.I.).

Identity thieves take personal information and use it to impersonate a victim, stealing from bank accounts, establishing phony insurance policies, opening unauthorized credit cards or obtaining unauthorized bank loans.

According to the Federal Trade Commission (FTC), over 27 million Americans have been the victim of identity theft in the last five years, costing consumers over \$5 billion in out-of-pocket expenses.

Victims of identity theft are often left with lower credit scores and spend months or even years getting credit records corrected. They frequently have difficulty getting credit, obtaining loans and even getting hired. According to the Identity Theft Resource Center, most identity theft victims end up spending 600 hours on restoring their identity.

"With so much increased spending, consumers should carefully monitor their credit card bills and bank balances to make sure that they actually made all of the purchases," says Salvatore. In fact, the FTC reports that 52 percent of all identity theft victims discovered that their identity was stolen by monitoring their accounts.

To protect your hard earned money, the I.I.I. suggests you:

- Keep the amount of personal information in your purse or wallet to the bare minimum. Avoid carrying additional credit cards, or your social security card or passport unless absolutely necessary.
- When making purchases, guard your credit card. Shield your hand when using ATM machines or making long distance phone calls with phone cards. Don't fall prey to "shoulder surfers" who may be nearby.
- Always take credit card or ATM receipts. Don't throw them 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.
- If you plan to do your shopping online, make sure that you are buying from a reputable retailer with a secure network.
- Don't 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.

- Tear or shred any documents that have personal information such as credit card numbers, bank statements, charge receipts or credit card applications.

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 one 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 ([www.equifax.com](http://www.equifax.com)), TransUnion ([www.transunion.com](http://www.transunion.com)) and Experian ([www.experian.com](http://www.experian.com)).

If you are the victim of a crime, report it to the store and police immediately. 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 contact the FTC at 877-IDTHEFT.

Theft of personal possessions is generally covered by homeowners and renters insurance policies; however, you may also want to consider obtaining identity theft insurance. The policy provides reimbursement to crime victims for the cost of restoring their identity and repairing credit reports. Some companies now include coverage for identity theft as part of their homeowners insurance policy. Others sell it as either a stand-alone policy or as an endorsement to a homeowners or renters insurance policy. Identity theft insurance 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 companies also offer restoration or resolution services that will guide you through the process of recovering your identity.