

Identity Theft - Part 2

Part 2 is a brief explanation of what can be done to prevent ID Theft. Please see Part 1 for an explanation of what is meant by ID Theft.

Unfortunately, even as instances of ID theft grow, insurance is not a particularly important anti-ID theft tool. The type of loss is not something that an auto, home or similar insurance policy may be adequately adapted to handle. While homeowner policies do typically protect against credit card loss, coverage is usually just for the amount that falls below the minimum liability imposed by federal law (currently \$50 per card). The serious harm suffered by ID theft victims are the costs associated with clearing up the aftermath, such as correcting one's credit history and straightening out various accounts and records. This effort may take years and hundreds to thousands of dollars in legal fees.

More insurers are offering coverage for ID theft. Typically the coverage reimburses legal fees or paying costs related to dealing with third parties to correct records. The most effective protection is for individuals to prevent becoming ID theft victims. Following are some suggestions:

- Keep your account information and Social Security Number (SSN) safe. One idea: keep home records in a locked file.
- Keep details about your various account numbers in a safe place so you can rapidly take care of stolen or lost cards.
- Be very careful with on-line transactions. Is the Website you use secure?
- Find out the privacy guidelines and safeguards of the businesses and parties you deal with.
- Challenge those who request an SSN. Why is that information needed? Can some other information be used as an alternative?
- Think about buying and using a paper shredder. Many information thieves steal mail by going through garbage.
- Write companies who send unsolicited charge cards and have yourself removed from their mail list.
- Check bank and business statements thoroughly for irregularities. Track down the reason for any unusual transactions or entries.
- Ask stores that use credit cards if they transmit the information with a wireless network. If yes, ask what safeguards they use to prevent airwave theft.
- If you ever have a charge card transaction involving an imprinter that uses a carbon set for copies, ask for the carbon or watch the clerk destroy the carbon before it's thrown away.
- Collect mail from mailboxes quickly and don't put outgoing mail in your own mailbox. These practices give thieves fewer opportunities to fish for checks and private information.

Remember that these are just a few suggestions. Taking steps to minimize the chance of ID theft is a lot of work. That is a major reason that ID theft will continue to be a problem to individuals and businesses.

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