

## Identify Theft

*Protect yourself in wake of breaches, hacks and cyber stalkers*

Big data is big business. But it can also lead to bigger headaches when large-scale breaches expose personal information. Large companies including insurers and credit bureaus have been the victims of cyber thieves who accessed private customer information. Most recently, it has been reported that the [Equifax breach](#) could affect 143 million Americans.

Identity theft occurs when a person uses your personal information to commit fraud or unlawful activity. Using your social security number or date of birth, someone may open a new credit card or bank account in your name, and even take out a loan using your personal information. Affected individuals can help protect themselves with identity theft insurance—or by using safeguards provided by the impacted company. The following consumer tips are offered by the National Association of Insurance Commissioners and the Nebraska Department of Insurance:

### **Where's your information kept?**

If your purse or wallet is stolen, your driver's license could easily be sold to someone who resembles you. Once a person has your driver's license, it is easy to obtain other forms of identification in your name. Your social security number is the most important piece of information a bank needs when extending credit or opening an account. Social security numbers are also used to obtain medical care, file a fraudulent tax return, commit crimes or steal your social security benefits.

### **What to do if you think your information has been compromised**

Stay calm, but monitor your personal financial information closely. You should look out for suspicious account activity or anyone asking to collect sensitive information. This includes usernames, passwords and credit card information—referred to as phishing. It is important to take action immediately to protect yourself.

To be safe, one option to consider is to freeze your credit with the three major credit reporting agencies ([Equifax](#), [Experian](#) and [TransUnion](#)) if you suspect your identity has been compromised. This allows you to restrict access to your credit report, making it more difficult for identity thieves to open new accounts in your name. Be sure to protect the information of your family as well, including children and elderly parents. For more information about a credit freeze, visit the [Federal Trade Commission's Consumer Information Credit Freeze FAQs](#). Contact your bank or credit card company if you notice suspicious activity on your account. You may ask them to put a security block on your account or preemptively request a new credit or debit card. You can also place a fraud alert on your accounts.

## **What can I do to prevent identify theft?**

Taking steps to protect your identity is important. Here are some suggestions:

- Avoid carrying your Social Security number and driver's license number together in your wallet.
- Shred pre-approved credit card offers and bills before disposing of them.
- Avoid putting outgoing mail in your home mailbox and use a U.S. Postal service mailbox.
- Be careful of where you use credit cards online. Make sure the website is legitimate.
- Check your credit report on a regular basis. If you see unusual activity, you can investigate promptly by contacting the three credit bureaus: Equifax, Experian and TransUnion.

## **Can I insure against identify theft?**

If you are a victim of identity theft, it can be costly to reestablish your credit and identity. Several companies offer identity theft insurance, which generally costs between \$25 and \$60 per year.

Identity theft insurance cannot protect you from becoming a victim of identity theft and does not cover direct monetary losses incurred as result of identity theft. Rather, this coverage pays for expenses related to reclaiming your financial identity, such as lost wages, attorney fees and documentation reporting.

## **Additional considerations**

- Know the policy limits. Most identity theft insurance policies have policy limits of \$10,000 to \$15,000.
- Find out if there is a deductible. Some policies require you to pay the first \$100 - \$500 of costs incurred for reclaiming your financial identity.
- Remember, identity theft insurance does not cover direct monetary losses.
- If the policy covers lost wages, verify what limits apply and what is required to trigger this coverage.
- If the policy covers legal fees, verify what limits apply and if legal work needs to be pre-approved by the insurer.

## **Before you buy**

Check to see if your current homeowners policy insurer includes identity theft insurance as part of your coverage. If not, you may be able to add identity theft insurance to your policy for a small fee or purchase a stand-alone policy from another insurer.

As with any insurance product, make sure you understand what you are purchasing and compare the product's price, coverage and deductibles among multiple insurers.

## **More Information**

The Federal Trade Commission provides detailed information about recovering from identify theft and protecting your identity. You can also contact the Nebraska Department of Insurance or the Nebraska Attorney General's Office Consumer Protection Division for more information.

### **Nebraska Department of Insurance**

Phone: 401-471-2201 or toll-free consumer hotline 1-877-564-7323

### **Nebraska Attorney General's Office Consumer Protection Division**

Phone: 800-727-6432

<https://protectthegoodlife.nebraska.gov/identity-theft>