

Pro-Text

By Dan Reith

Identity Theft—It Can Happen to You, Really!

As our society becomes ever more global and technology dependant for communication and commerce it has sparked, by some measure, an entirely new industry: identify theft. A few years ago theft was limited to tangible products. With identity theft we deal with the intangible and ultimately the tangible-- those goods purchased under false name and pretense. The impact of stealing someone's identity is far more reaching than if one simply stole their stereo. For the insurance industry, this new form of theft has given rise to, and need for, an entirely new coverage: the protection of personal identity.

One cannot be complacent. One must be vigilant. Crimes relating to identity theft are on the rise with no immediate signs of slow down. Criminals are becoming ever more creative in the methods and practices used to steal identities. Mail theft, account takeovers, dumpster diving, whatever the scheme, the end result is all the same: innocent people are ripped off. On personal note, it can happen to any of us.

We hear all the time in the media of unfortunate victims who have suddenly lost their credit worthiness. Through no fault of their own they come to find their homes mortgaged, credit cards maxed, goods they never took possession of purchased or leased in their name; they are left owing sums of money they had no knowledge of. Conversely, there are those who by some measure one wants to feel sympathy for but it is a challenge even though they wish to be portrayed as victims but are unfortunately "victims" of their own naiveté and or greed. That is to say those who foolishly hand over their personal information to unknowns for the promise of some financial gain down the road. Regardless of how one's personal information is stolen the cost to stop it and restore one's good name is a stressful and burdensome experience. It is not something that one ever really wants to have to endure. In order to protect oneself there are certain steps we can take in the protection of one's personal identity and the mitigation of the possibility for loss. Of course, like anything, there are no guarantees.

Dumpster diving is one of the most common ways to have one's identity stolen. It is also one of the easiest ways for thieves to steal one's identity. They simply sort through your trash for paper records such as credit card offerings, invoices, bank statements, cancelled cheques and other documents containing personal information. Businesses are at risk too. Identify theft is not limited to just an individual. Conversely, businesses can be a root cause of this crime as well by their failure to properly destroy customer information. To mitigate your personal exposure to this kind of loss do not discard documents of any kind containing personal information into the trash. Shred, by means of a multi or cross cut shredder, before disposing of documents. If you have the time, mark out all personal information such as account numbers, birth dates, phone numbers, balance, etc before shredding. Do not leave your shredded documents at the curbside. Those who want information may well take the time to piece it back together. Deliver your shredded papers to a dump site incinerator or use a secure third party shredding service.

Mail theft is another easy means. Low-tech and cost effective for the criminal. This is simply a case of the thief stealing your mail from your mail box. Thus, the importance of having your mail picked up daily when you are on vacation. Unprotected mail boxes are easy prey. If you have

concerns rent a mail box at a postal outlet. It is easy for those in the know to not only collect the information on the mail but equally easy to change the values on cheques, making a \$50 cheque out for \$500 or \$5,000.

Shoulder surfing. We hear a lot of this on the news. Again, a low-tech easy way for criminals to get your PIN number for debit and credit cards. Keep an eye for those behind you in line and always cover the key pad before entering your PIN number.

Another less obvious means is through the use of our cells. Not to suggest that there exists sinister means by which to monitor the air waves and steal our information. It is much simpler. Often we stand in line talking on our cell phones conducting personal business and without thinking give out our personal details over the phone. Anyone standing in ear shot now has knowledge of your personal information.

Phising and Pharming and we do not mean in the traditional sense. "Phising" is a scam in which consumers are duped into entering personal information—account numbers, social insurance numbers, PIN number and the like—via bogus email and web site forms. They look official but they are not. Typically no institution or organization will be asking you to provide this kind of verification or update. If you receive something like this contact them to verify for yourself. But, do not use the phone number given on the electronic transmission you receive and question. Use your local directory or a phone number printed on a previously reviewed invoice or statement.

Skimming is a growing form of identity theft. Thieves quickly and temporarily steal a credit card and run it through a skimmer, a credit card reader that has been reprogrammed to steal information off the card. Often, this takes place at a hectic retail store where a consumer might not notice that their card has been taken from them for a few moments. This can happen anytime your credit card is out of your possession. To avoid this simply pay with cash. Restrict credit and debit card use to known and established business; although, even that is not a guarantee. Skimming can also happen at ATM machines. This is a much more sophisticated process but it can happen.

There are other tricks and scams and like any criminal activity there is certainly a new invention or idea out there to steal your identify each day. To protect yourself you can be wise and follow the steps outlined above. Further, you can contact one of the three credit reporting agencies in Ontario—Equifax, Trans Union and Equiarium—to learn about your personal credit history and discover if any fraudulent transactions have taken place. Review with diligence all credit card and bank statements for unfamiliar transactions and report them to your bank or credit card immediately. If you are victim of identity theft contact the credit agencies and report it. There are steps they can take to protect you going forward. There is however the cost and time involved to restore your identify. This is where Identity Theft Insurance comes into play.

Most major Canadian insurers have created some form of this coverage. Typically it is added, by endorsement, to your home insurance policy. The cost of it varies as does the extent of coverage. If you are concerned about this coverage take the time to investigate what is available in the marketplace; survey not just your own insurance provider, but others.

Typically, Identity theft, to an insurer, means that a person has or persons have assumed your identity by acquiring personal information which is then used unlawfully under federal, provincial, state, territory or local law. The cover will pay a certain amount for identity theft expenses, financial loss of income incurred as a result of identity theft. The sort of expenses

covered are: Costs incurred to notarize or certify certain documents, mailing costs, loan application fees, fax and telephone expenses; as well as defense costs and other legal expenses provided are approved in advance by your insurer, which you incur in order to clear your name, construct credit data, remove criminal records, rectify consumer credit reports, defend against legal suits by businesses or collection agencies, or rectify civil judgments made against you.

Again, check with your insurance provider to ensure that the identity theft coverage you select meets your needs.

The cost, relative to what you cost suffer is negligible on average, most insurers charge less than \$100 a year.

Be vigilant, be safe, and take the time to protect your identity. It has taken you a lifetime to get to where you are. Why take the balance of it to restore it.