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Identity Theft

Identity theft is widely considered the fastest growing financial crime in America today with annual losses estimated at \$2 billion each year affecting over 12 million people.

An identity thief seeks personal data such as a social security number, bank account information, or credit card information. They then use this information to run up thousands of dollars in charges on a victim's credit card, deplete bank accounts, or even obtain bank loans.

Identity thieves get information in a variety of ways, including:

- Stealing personal items such as a wallet, purse, laptop, personal digital assistant and/or mail.
- Picking through garbage for discarded credit card statements, bank statements, and pre-approved credit card offers, etc.
- Hacking into computers.
- Posing as someone else to obtain personal information from a bank, credit card company, etc.
- Conducting telephone and e-mail scams.

More than 20% of reported cases involve phone and Internet scams. The following are a few of the most common email and phone scams that you should watch out for:

- Account verifications: Scammers set up Internet websites or email accounts that are similar to legitimate company names. They then send out emails asking you to verify or update your account information including your credit card number and other personal information. You should not respond to these emails without first verifying with the company that it is legitimate.

- "Free Credit Report": Almost all "free credit report" emails are scams; they are either just trying to get your social security number or will bill you for the credit report later.
- "You have won a free gift": You receive a phone call or email saying that you have received a free gift and all you have to do is provide your credit card information to pay for shipping and handling. Once in receipt of your credit card information, scammers can use it against your will.
- Canadian/Netherlands Lottery: You receive an email stating that you have won the lottery and all you have to do is pay the taxes and fees and the money is yours. If you haven't entered the lottery or bought a ticket to win a prize, these emails are scams.
- Fake IRS Audits: Some taxpayers have received emails stating that they are subject to an "e-audit" and they need to fill out a questionnaire within 48 hours to avoid a penalty. They are asked to provide their bank account numbers, SSN, and other personal information. The IRS does not conduct email audits, nor do they notify taxpayers of a pending audit via email.

Here are a few tips to help minimize your risk of being a victim of identity theft.

- Check your home mailbox daily, and drop your outgoing mail into a secure U.S. postal mailbox.
- Carry only what you need in your wallet or purse, and keep your social security card at home in a safe place.

- Make copies of the front and back of credit cards, calling cards, driver's license, insurance card, passport etc.
- Give out your personal information on a need to know basis and only to known legitimate businesses.
- Do not print your social security number, home phone or driver's license number on your personal checks
- Keep your computer updated with current versions of anti-virus and anti-spyware software. It is also a good idea to use a firewall program.
- Use a paper shredder to destroy documents that contain personal information.
- Before you dispose of an old computer, delete personal information by using a wipe clean utility program, which cleans all the information off of your hard drive.
- When shopping online, only make purchases from a secure browser, indicated by https://, and do not use automatic login features.

If you do find yourself a victim of identity theft, call the bank or credit card company that was affected to notify them of the situation and to cancel any necessary credit cards. You should then call your local police department to file a report and call the three national credit bureaus and the social security administration so that a fraud alert can be placed on your account.

The numbers to call are:

Equifax: 1-888-202-4025

Experian: 1-888-EXPERIAN

TransUnion: 1-877-322-8228

S.S. Administration: 1-800-772-1213

Victims of identity theft are often left with debt and credit problems for years to come. Many homeowner policies include identity theft coverage, which can help victims recover costs incurred to restore their identity and repair their personal credit report. These costs can include notarizing documents, sending certified mail, loan re-application fees, telephone expenses, attorney fees, and some of the earnings lost by an insured when taking time off to resolve the issue.

To find out if you have identity theft coverage on your homeowner's policy, please call your insurance representative at Colburn Group.

