



## Identity Theft Insurance - **FAQ**

### **Q. What coverage does Identity Theft Insurance provide?**

- A. Many related identity restoration expenses are covered up to the aggregate annual limit of insurance including:
- Lost wages as a result of time off work related to a covered stolen identity event.
  - Reasonable and Necessary legal costs.
  - Expenses related to restoring one's identity including notary fees and affidavits, credit reports, loan application fees, certified mail, and long distance charges.

### **Q. Can the insured use their own lawyer? What type of litigation is covered?**

- A. Under the terms of the policy the carrier would need to approve legal fees and, at its discretion, will provide legal counsel. Civil complaints are covered under the policy.

### **Q. Who handles the calls? Claims?**

- A. Initial calls are being handled by the plan administrator. Our Identity Fraud Support Services handles the claim process by sending the insured an ID Theft Claim Package and assisting the insured in completing claim forms. The claim is submitted directly to AON Innovative Solutions, an affiliate of Virginia Surety Company, Inc. for review and approval.

### **Q. What does the insured need to do to file a claim?**

- A. Claim forms are included in the ID Theft Claim Package that is sent after an ID theft is reported. The insured fills out the forms and attaches appropriate documentation (e.g., supervisor signature for reimbursement of lost wages if time taken off work) and sends to claims processing.

### **Q. Is coverage available in all 50 states?**

- A. No. This coverage is not available in the state of New York.

### **Q. How quickly are claims paid?**

- A. Claims are typically paid within six weeks from the acceptance of complete claims information.

### **Q. How prevalent is identity theft?**

- A. The FBI calls identity theft "one of the fastest-growing white-collar crimes in the nation," and many reports show that approximately 750,000 U.S. consumers are victims of identity theft annually. Identity theft accounted for 42% of all consumer complaints received by the FTC last year.

### **Q. What are some examples of identity theft crimes?**

- A. The Consumer Protection Agency tells us that the criminal will use information to commit:
- *Credit Card Fraud* - Approximately 54% of consumers reported credit card fraud -- i.e., a credit card account opened in their name or a "takeover" of their existing credit card account;
  - *Communications Services* - Approximately 26% reported that the identity thief opened up telephone, cellular, or other utility service in their name;
  - *Bank Fraud* - Approximately 16% reported that a checking or savings account had been opened in their name, and/or that fraudulent checks had been written; and
  - *Fraudulent Loans* - Approximately 11% reported that the identity thief obtained a loan, such as a car loan, in their name.

### **Q. What is the cost of identity theft to a victim?**

- A. On average, identity fraud victims spend 175 hours and \$3,000 trying to clear their names. (Identity Theft Resource Center).

It takes victims an average of six months before they discover that their identities have been stolen. (FTC, March 2002).



## Fraud Assistance - **FAQ**

**Q. What should the insured keep copies of?**

- A. Keep copies of all documents related to the case. Before sending anything in the mail, be sure to make a photocopy. The assigned case worker will keep a backup file for the member upon request. Just send a copy via first-class mail. In addition to keeping copies of each form the insured sends, they should also keep both a call log and an activity log to document all activity pertaining to their case.

**Q. How should the member send the forms after they have filled them out?**

- A. Send all documentation pertaining to the case as certified mail, return receipt requested. This can be done at their local post office. This will allow the member to know someone has received the documentation.

**Q. How long should members keep copies?**

- A. Indefinitely. Identity fraud issues can resurface at any time in the future. Saving their information will help save time in resolving any issues that may arise.

**Q. Should the member cancel all of their credit cards?**

- A. No – unless they were in the members wallet. In that case, they should close them and reopen new accounts. They should notify the credit grantor that they have been a victim of identity theft and change their pin or password if they do not cancel the card.

**Q. What are the national credit reporting agencies and how do they affect the insured?**

- A. There are three major national credit reporting agencies: Experian, TransUnion, and Equifax. All three keep detailed records of financial status and any place you may have lived. When applying for a new line of credit, the lender consults the credit reporting agencies to determine if the member's credit is in good standing. In theory, all three agencies should have the same information. But because errors do occur, and because not all creditors report to all three credit reporting agencies, the information can differ among them, which is why it is so important to contact all three.

**Q. How much is the insured liable for?**

- A. For Credit Cards: If the card issuer has notified you of your maximum potential liability, has provided a means for you to notify the card issuer of credit card loss or theft, and if the credit card contains a way of identifying the cardholder or authorized user, then your liability for fraudulent charge made to your account before the card issuer is notified is up to \$50.00 for each card.

For Debit and Cash-Machine Cards: Your liability for fraudulent use of your card is up to \$50.00 if you notify the card issuer of the loss or theft of the card within two business days after learning of the loss or theft of the card. After that, you liability is up to \$500.00 for each card. Or, if you do not notify the card issuer within 60 days of receipt of a monthly statement showing unauthorized transfers, then your liability for each card is up to the total amount of unauthorized transfers that occurred after the 60 day period and before notice, provided that the card issuer establishes that the unauthorized transfers would not have occurred if you had notified the card issuer within the 60 day period. You may also be liable for up to \$50.00.