



Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

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Consumer Alert:

Insurance Commissioner Sandy Praeger Gives Tips on What College Students Need to Know About Identity Theft

TOPEKA, KS - Imagine graduating from college with thousands of dollars of unauthorized debt and a wrecked credit rating – the result of identity theft.

Kansas college students may be vulnerable to identity theft because of the availability of personal information and the way many students handle it, according to Sandy Praeger, Kansas Commissioner of Insurance.

“Identity theft is one of the fastest growing crimes in the United States, costing victims more than \$5 billion annually,” Commissioner Praeger said. “Once personal information is obtained, a person might open new credit card accounts in your name, open bank accounts in your name to write bad checks or take out a loan in your name.”

Of the nearly 675,000 identity theft complaints received by the Federal Trade Commission in 2006, almost one in three came from young adults. And, according to a 2006 U.S. Department of Justice report, households headed by persons ages 18-24 were more likely to experience identity theft than others.

The commissioner has several suggestions for students to keep in mind:

- *Avoid carrying your Social Security number and driver's license together in your wallet.
- *If the school uses your Social Security number for your student I.D, request an assigned number.
- *Request that your Social Security number not be used to publicly post grades.
- *Shred pre-approved credit card offers and bills before disposing of them.
- *Avoid putting outgoing mail in unsecured campus mailboxes. Instead, deposit outgoing mail directly in U.S. Postal Service mailboxes.
- *Do not shop online or pay bills on a public computer.
- *Be suspicious of solicitors. You should never give personal financial information or your Social Security number to anyone unless they have good reason for needing it.
- *Limit the amount of information you place online. Whether you're in a university directory or on a social networking site like MySpace or Facebook, remember that anyone can read what you post. Don't make personal identifying information public.

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Several insurance companies are now offering identity theft insurance, which generally costs between \$25 and \$60 per year. However, identity theft insurance does not cover direct monetary losses incurred as a result.

“Identity theft insurance provides coverage for the cost of reclaiming your financial identity, such as the costs of making phone calls, making copies, mailing documents, taking time off from work without pay (lost wages) and hiring an attorney,” Commissioner Praeger said.

Things to consider when purchasing an identity theft policy include the following:

*Find out what the policy limits are. Most identity theft insurance policies have policy limits of \$10,000 - \$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.

*If the policy covers lost wages, verify what limits apply and what is required to trigger this coverage. Be sure you understand when the policy will reimburse your time away from work.

*If the policy covers legal fees, verify which limits apply and if legal work needs to be pre-approved by the insurer.

“Before you buy, however, check to see if your homeowners insurance includes identity theft insurance as part of that policy, and ask your agent if this extends to a student living away from the primary residence,” Commissioner Praeger said. “If not, you might be able to purchase a stand-alone policy from another insurer, bank or credit card company.”

If a student is renting an apartment, ask if the renter's insurance covers identity theft, or if it could be added to the policy.

“As with any insurance policy, make sure you understand what you are purchasing and compare prices, coverage and deductibles among multiple insurers,” Commissioner Praeger said. “Federal law provides a \$50 liability limit for the fraudulent use of ATM/debit and credit cards. Because of this, most identity theft victims never incur a high amount of direct monetary losses. However, restoring credit and correcting the information can be a slow, time-consuming and costly process.”