

Identity Theft and Identity Fraud Recovery Expense

What is Identity Theft?

Identity theft is the unauthorized collection and use of your personal information, usually for criminal purposes.

Every year, thousands of people are victims of identity theft. While recent developments in telecommunications and computer processing make it easier for companies and consumers to reach each other, they can also scatter your personal information more widely, making life easier for criminals.

Your name, date of birth, address, credit card, Social Insurance Number and other personal identification numbers can be used to open credit card and bank accounts; redirect mail; establish cellular phone service; rent vehicles, equipment, or accommodation; and even secure employment.

Identity theft is a serious crime. People whose identities have been stolen can spend months or years - and their hard-earned money - cleaning up the mess thieves have made of their good name and credit record. In the meantime, victims may lose job opportunities; be refused loans, education, housing or cars; or even get arrested for crimes they didn't commit.

How to protect yourself from Identity Theft.

- Minimize the risk. Be careful about sharing personal information, or letting it circulate freely.
- When you are asked to provide personal information, ask how it will be used, why it is needed, who will be sharing it, and how it will be safeguarded.
- Give out no more than the minimum, and carry the least possible with you.
- Be particularly careful about your SIN; it is an important key to your identity, especially in credit reports and computer databases.
- Don't give your credit card number on the telephone, by electronic mail, or to a voice mailbox, unless you know the person with whom you're communicating or you initiated the communication yourself, and you know that the communication channel is secure.
- Take advantage of technologies that enhance your security and privacy when you use the Internet, such as digital signatures, data encryption, and "anonymizing" services.
- Pay attention to your billing cycle. If credit card or utility bills fail to arrive, contact the companies to ensure that they have not been illicitly redirected.
- Notify creditors immediately if your identification or credit cards are lost or stolen.
- Access your credit report from a credit reporting agency once a year to ensure it's accurate and doesn't include debts or activities you haven't authorized or incurred.
- Ask that your accounts require passwords before any inquiries or changes can be made, whenever possible.
- Choose difficult passwords – *not* your mother's maiden name. Memorise them, and change them often. *Don't* write them down and leave them in your wallet, or some equally obvious place.
- Key in personal identification numbers privately when you use direct purchase terminals, bank machines, or telephones.
- Find out if your cardholder agreement offers protection from credit card fraud; you may be able to avoid taking on the identity thief's debts.
- Be careful what you throw out. Burn or shred personal financial information such as statements, credit card offers, receipts, insurance forms, etc. Insist that businesses you deal with do the same.

What to do if you are a victim of Identity Theft.

- Report the crime to the police *immediately*. Ask for a copy of the police report so that you can provide proof of the theft to the organizations that you will have to contact later.
- Take steps to undo the damage. Avoid "credit-repair" companies: there is usually nothing they can do, and some have been known to propose a solution—establishing credit under a new identity—that is itself fraudulent.
- Document the steps you take and the expenses you incur to clear your name and re-establish your credit.
- Cancel your credit cards and get new ones issued. Ask the creditors about accounts tampered with or opened fraudulently in your name.
- Have your credit report annotated to reflect the identity theft. Do a follow-up check three months after to ensure that someone has not tried to use your identity again.
- Close your bank accounts and open new ones. Insist on password-only access to them.
- Get new bank machine and telephone calling cards, with new passwords or personal identification numbers.
- In the case of passport theft, advise the Passport Office.
- Contact Canada Post if you suspect that someone is diverting your mail.
- Advise your telephone, cable, and utilities that someone using your name could try to open new accounts fraudulently.
- Get a new driver's license.

If you suspect that someone has been using your SIN to get a job, or that your SIN has been compromised in some other way, contact Human Resources Development Canada.

What coverage does The Sovereign General Insurance Company provide if you are the victim of Identity Fraud?

Your Sovereign General policy includes Identity Fraud Recovery Expense coverage. This coverage includes, with limits, reimbursement for:

- the costs for notarizing affidavits or similar documents for law enforcement agencies, financial institutions or similar credit grantors, and credit agencies;
- the costs for sending certified mail to law enforcement agencies, financial institutions or similar credit grantors, and credit agencies;
- the loan application fees for re-applying for loan(s) due to the rejection of the original application because the lender received incorrect credit information;
- the telephone expenses for calls to businesses, law enforcement agencies, financial institutions or similar credit grantors, and credit agencies;
- earnings lost by you as a result of time off from work to complete fraud affidavits, meet with law enforcement agencies, credit agencies, merchants, or legal counsel;
- the reasonable lawyer fees incurred, with prior notice to and approval by us, for:
 - your defence against any suit(s) by businesses or their collection agencies;
 - the removal of any criminal or civil judgements wrongly entered against you; or
- any challenge to the information in your consumer credit report.

This material is provided for informational purposes only. The provisions of your policy prevail. Please read your policy in detail and consult your broker if you have any questions.