

Safeguarding Your Identity

By Blake Williams, Senior Planning Associate

Every day, it seems like there's a new headline about another major corporation suffering a data breach. Hackers have launched sophisticated attacks that have endangered the personal information of millions of people. Earlier this month, a massive breach at health insurer Anthem exposed the personal information of over 80 million customers—names, birthdays, Social Security numbers, street addresses, email addresses and employment information.¹ In 2013, millions of Target customers learned that their credit and debit card information may have been stolen.

If you're lucky, you haven't yet been the victim of a data breach. But as these incidents become increasingly common, you may not stay safe for long. While having your data exposed doesn't necessarily mean that your identity has been stolen, it does mean that you may be more susceptible to identity theft. Unfortunately, you can't prevent a data breach, but you can take steps to safeguard your personal information and reduce the damage should your identity be stolen.

Identity Theft Facts

Identity theft is the fastest growing crime in America, with 19 people falling victim to the crime each minute.² Once identity thieves have your personal information, they can easily empty your bank accounts, run up charges on your credit cards, open utility accounts or even use your health insurance to get medical treatment. Repairing the damage can be incredibly time-consuming; industry experts estimate that fixing the problems caused by ID theft takes around six months and 200 hours of work.³

You can safeguard your personal information and reduce the likelihood of identity theft by shredding paper documents and using strong online passwords ([password managers](#) can help with this task). Another way to protect yourself is to regularly monitor, and if necessary, freeze, your credit.



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Freezing Your Credit

If your personal information has been exposed or stolen (or you suspect that it has been compromised), you may want to put a security freeze on your credit.

A security freeze on your credit prevents unauthorized people from accessing your credit report. It also prevents any new extension of credit. To accomplish a complete security freeze, you will need to freeze your credit with all three major reporting agencies: Equifax, TransUnion and Experian. Currently, this costs \$3 per action (freeze or unfreeze). If you are single, you'll pay a total of \$9 to freeze your credit with all three agencies; a couple will pay a total of \$18. During the enrollment process each bureau will ask you to create a 6- to 10-digit PIN that will be required to "thaw" your freeze. It is very important that you keep track of this PIN. If you need to grant access to a company to run your credit, you can "thaw" your credit freeze with each of the bureaus in a process similar to when you initiated the freeze.

You can freeze your credit online, over the phone or through the mail. For most users, going online is the easiest. For more information on freezing your credit, including contact information for the credit reporting agencies, refer to our [identity theft victim guide here](#).

Monitoring Your Credit

Even if you don't feel that it's necessary to put a freeze on your credit, you should periodically check your credit report with Experian, TransUnion and Equifax. The Consumer Financial Protection Bureau recommends that you examine your credit report at least once a year to make sure the information in the report is accurate and up to date.⁴ It is advisable to check your credit before making a major purchase that may involve a loan, before applying for a new job and to guard against identity theft.

Federal law entitles you to one free credit report per year from each agency. You can obtain your free credit report by going to www.annualcreditreport.com. Please note that this will not give you your FICO credit score, but it will allow you to see your full credit report.

If you'd like a more systematic approach to monitoring your credit, there are multiple services that provide ongoing credit monitoring. These services monitor your credit daily, alert you to suspicious activity and assist you in the event you become a victim of identity theft. Options include:

	Monthly Cost	Identity Theft Insurance
Experian ⁵	\$19.95	\$50,000
Equifax ⁶	\$19.95-\$29.95	\$1,000,000
TransUnion ⁷	\$17.95	\$1,000,000
LifeLock ⁸	\$9.99-\$29.99	\$1,000,000

In addition to these credit monitoring services, most insurance companies offer you an option of adding an identity theft rider to your homeowners or renters insurance. These riders are typically cheaper than the credit monitoring services but provide a lower amount of coverage.

What If Your Identity Is Stolen?

You need to take immediate action if you've determined that your identity has been stolen. The U.S. Federal Trade Commission recommends that you take the following steps⁹:

1. Place an initial fraud alert.
2. Order your credit reports.
3. Create an identity theft report.

For in-depth information on what to do when your identity has been stolen, please refer to our [identity theft victim guide](#) [here](#).

The BuySecure Initiative

The U.S. government is addressing the surge in identity thefts with the new BuySecure Initiative.¹⁰ This initiative will provide consumers with more tools to secure their financial future by assisting victims of identity theft, improving the government's payment security as a customer and a provider, and accelerating the transition to stronger security technologies and the development of next-generation payment security tools. However, it is still up to you to take steps to safeguard your identity. Hopefully, this information is helpful in determining which steps and services may be the best fit for you.



[Download our identity theft guide.](#)

Sources

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