



IDENTITY RECOVERY COVERAGE

Identity Recovery Coverage Newsletter Article

Identity Theft Victims Need More Than Insurance, They Need Identity Repair

A stolen purse, then bounced checks, denied mortgage loans, employment, credit cards and auto insurance. These are just a few of the horrors identity theft victims face. But it gets worse. People whose identities have been stolen can spend months or even years - and thousands of dollars - cleaning up the mess thieves have made of their good name and credit history.

Panhandle Farmers Mutual is now introducing Identity Recovery Insurance to help identity theft victims clear their credit history and repair their identity records. Effective October 1, 2007 Identity Recovery coverage will be included in Homeowners policies for renewals that occur after that date. We will also have coverage available for new business policies. Panhandle Farmers Mutual is offering Identity Theft Recovery through its partnership with HSB Group, a Connecticut-based provider of specialty insurance services.

Our coverage is unique. Other companies call this coverage "Identity Theft Insurance," but Panhandle Farmers Mutual refers to it as Identity Recovery Coverage because this product focuses on an important service component that helps victims recover from this crime.

"Our program is more than insurance," said Art Meadows. "We offer recovery assistance. That's because most identity theft victims report that the real cost of identity theft is the bewildering, frustrating and time consuming process of repairing the damage caused by identity thieves. Most other identity theft insurance products ignore this issue."

According to the Federal Trade Commission, identity theft victims spend almost 300 million hours annually resolving their problems. Individual victims can spend dozens or even hundreds of hours wading through the process of restoring their identity. This time can be stretched out over weeks, months, or even years depending on the severity of the theft.

Services That Ease the Pain

Panhandle Farmers Mutual Identity Recovery coverage includes two levels of service to assist victims. An Insured who even suspect a problem can call our Identity Theft Help Line where counselors can answer their questions and provide information to start the process. Confirmed identity theft victims are referred to a specialized case manager

who works with the insured to handle the paperwork and legwork necessary to correct credit and identity records. The case manager can assist the victim by:

- Working with credit bureaus, creditors, financial institutions, and various service providers to identify errors and correct the victim's records;
- Writing letters for the insured to send to credit bureaus and other institutions
- Enrolling the insured in an electronic credit monitoring service;
- Reviewing credit files and requesting a fraud alert with credit bureaus where warranted;
- Preparing communications for an insured to send the Social Security Administration, state Department of Motor Vehicles and other government entities;
- Working with the insured to check for a recurrence of identity theft problems;
- Legal referrals for assistance with court appearances and legal entanglements.

Insurance Protection to Cover Victims' Expenses

"While merchants and financial institutions absorb most of the fraudulent charges, they do not pay the expenses a person incurs to correct their credit and identity records," said Art Meadows. "Cases where an identity thief creates new accounts in the victim's name or gains control over existing accounts cost the victim about \$1,200 because it takes a long time to unwind all the damage."

Panhandle Farmers Mutual Identity Recovery program includes Expense Reimbursement coverage that pays for the out-of-pocket costs victims incur to repair their credit history and identity records following an identity theft. These include the cost of:

- Lost wages resulting from time away from work to correct identity theft problems
- Credit bureau reports
- Fees incurred when re-applying for loans initially declined due to falsified credit information
- Postage, phone and shipping fees
- Certain legal fees caused by identity theft:
 - to defend civil suits by creditors/collection agencies, and
 - to remove civil judgments wrongfully entered against the insured

"With identity theft now the fastest growing crime in America - striking millions of people each year - we saw a need to address this risk," said Art Meadows.

Contact Panhandle Farmers Mutual or your local agent for more information.