

W I S C O N S I N

Office of Privacy Protection

Safeguarding Information for Your Future

Identity Theft Insurance – Money Well Spent or Not?

More and more insurance companies are offering insurance policies that reimburse victims for the cost of recovering from identity theft. Major insurance companies are beginning to roll out coverage plans that appear to be affordable for everyone. The question is do you need to be protected from loss with an insurance policy or is this simply a marketing opportunity for the insurance companies?

Before making a decision on whether id theft insurance is right for you, consider the following:

- 🔒 Coverage is usually offered as part of a renter's or home owner's policy and can range from \$15,000 to \$25,000 per household and applies to lost wages, attorney's fees, phone charges, preparation of documents, and postage.
- 🔒 Cost of the average premium is relatively low. It typically ranges from \$25 to \$45 annually with a \$250-\$500 deductible.
- 🔒 Most insurers offer some restoration services, those services to assist consumers in reclaiming their identity and restoring their credit rating. These include help with preparing and filing reports and to-do lists.
- 🔒 Some insurers offer credit reporting as an added benefit to the policy holder.
- 🔒 Actual financial losses, such as credit card charges and withdrawals from the victim's bank accounts are typically not covered.
- 🔒 Some of the benefits offered to policy holders, such as credit reporting, are already free to anyone by calling toll-free at 1-877-322-8228 or online at www.annualcreditreport.com.
- 🔒 Identity theft is not like a tornado. Consumers can take simple, free steps to protect themselves against identity theft so it doesn't happen in the first place.
- 🔒 Since the average cost to recover a monetary loss due to identity theft is \$422 per victim, insurance that has a deductible close to or greater than that amount may be considered to pricey.

Check out your options before making the decision to purchase identity theft insurance. Determine what you can do on your own to protect against identity theft at no cost thereby significantly reducing the risk of id theft. Also determine what id theft protection is offered by your credit card company and financial institution. If you decide that id theft insurance is the right choice for you, make certain you know exactly what you are getting before you buy. Is the protection offered something really worth paying for or is it little more than giving you information about what to do – information that you can already get for free?

If you believe your identity has been stolen, contact the Wisconsin Office of Privacy Protection at 1-800-422-7128 or email us at WisconsinPrivacy@datcp.state.wi.us. Visit our website at privacy.wi.gov for more information.