

INSURANCE *Credit Freezes Burn Hackers*

More than 143 million Americans' personal information was exposed when Equifax announced earlier this year that it was the victim of a data breach. Hackers accessed consumer names, Social Security numbers, birth dates, addresses and, in some instances, driver's license numbers. Guarding against identity theft is important because bankers and insurers reward good credit. Your credit information is used when granting loans and pricing or underwriting insurance products. A favorable credit score often results in lower interest and insurance rates.

If you have a credit report, chances are you were impacted by the Equifax breach. Equifax took immediate steps to help affected consumers, including freezing customers' credit. Before you take this step, the Wyoming Department of Insurance has these tips for your consideration.

What happens when you freeze your credit?

A credit freeze or security alert, restricts access to your credit report, thwarting would-be hackers from gaining access to your personal information. Without a credit report, most creditors won't approve or open a new account.

A credit freeze does not:

- Impact your credit score.
- Prevent you from getting a free annual credit report.
- Stop you from opening a new account, applying for a job, renting an apartment or buying insurance. Note: you can temporarily lift the credit freeze for a specified time to conduct this business. You may have to pay for the temporary lift, so check with one of the credit reporting agencies. There is no charge for consumers impacted by the Equifax data breach of 2017.

A hacker cannot lift your credit freeze and open a new line of credit. A personal identification number (PIN) is required to lift it.



Some states, including Wyoming, allow insurers to access your credit information to underwrite or rate. In other cases, a policyholder may want to consider temporarily lifting a credit freeze. If a freeze renders a consumer's credit report inaccessible, the insurer may rate the consumer as if they have neutral credit information or exclude the use of credit information as a factor. This means that a consumer who is up for renewal and has excellent credit may experience an increase in their rate. If you receive an adverse action notice based on the freeze, you should contact your agent or insurer.

Credit freeze versus fraud alert

According to the Federal Trade Commission, a credit freeze locks down your credit. A fraud alert allows creditors to obtain a copy of your report, as long as they take steps to verify your identity. Fraud alerts can stop someone from opening a new account in your name, but may not prevent them from misusing existing accounts.

There are three types of alerts:

- Initial Fraud Alert – protects your identity for 90 days from unverified access.
- Extended Fraud Alert – protects your credit identity for seven years, if you are a victim of identity theft.
- Active Duty Military Alert – protects deployed military for one year.

How to know if your information has been breached

You should check your credit report and look for any errors, new and unauthorized open accounts or any unauthorized charges on your credit cards. For the Equifax data breach, the company set up equifaxsecurity2017.com to help consumers find out if their information was compromised. You should check your credit report on an annual basis, but if you think your identity has been compromised, do so immediately.

What to do if your information is breached

1. **Contact one of the three reporting credit agencies** – Equifax, TransUnion and Experian can investigate fraudulent activity on your credit report and remove it.

Equifax Fraud Department

1-800-525-6285

Experian Fraud Department

1-888-397-3742

TransUnion Fraud Department

1-800-680-7289

2. **Notify your lenders, banks, and insurance companies** - Alert them of the situation. Close your accounts, change any passwords and PINs associated with these accounts.

3. **Periodically check your credit reports** - During the first year after a breach, confirm there has been no additional fraudulent activity. Working with credit card companies to reverse fraudulent charges to your credit card will cut down on this type of fraud and abuse.



Wyoming Insurance Department
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