Identity Theft 101 and Beyond

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Things to Discuss

- Brief Bio
- The Latest Stats
- Types of Identity Theft
- Ways They Get What They Need
- Mitigation and Prevention
- Coverage Options
- What to Do If It Happens to YOU
- Q & A

Bio

Insurance Geek

Marketing

Product Development

SALES

Policy Services

Executive Management

UNDERWRITING

Sales and Executive Coach

Uh, not quite…

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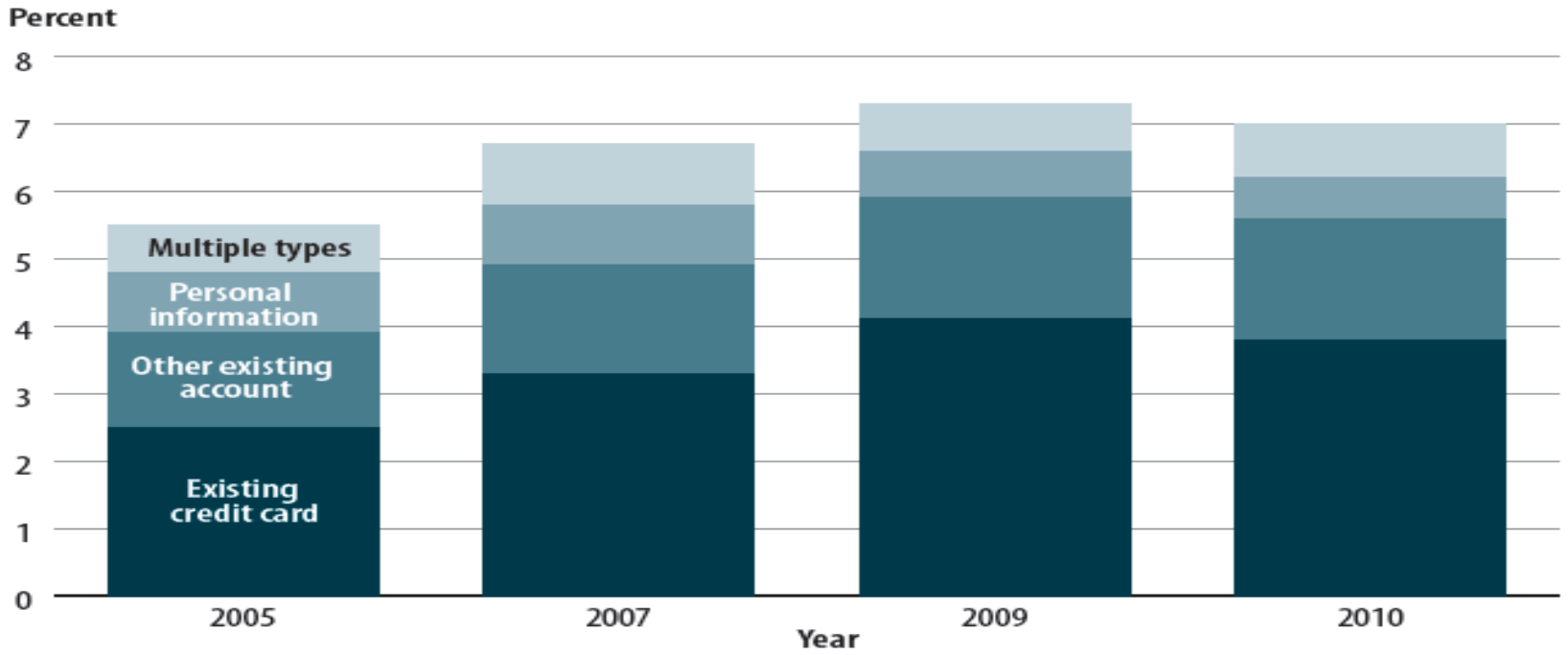
www.TheVirtuosoExperience.com

Percent of Households and Types

FIGURE 1
Percent of households that experienced identity theft, by type of identity theft, 2005, 2007, 2009, and 2010



Note: See appendix table 1 for the number and percent of households that experienced identity theft by type of identity theft in 2005, 2006 (not shown in figure), 2007, 2009, and 2010. Annual estimates are not available for 2008 because 6 months of identity theft data were collected. See appendix table 2 for standard errors.

Compiled by the Bureau of Justice Statistics, US Department of Justice, 2011, *Crime Data Brief*

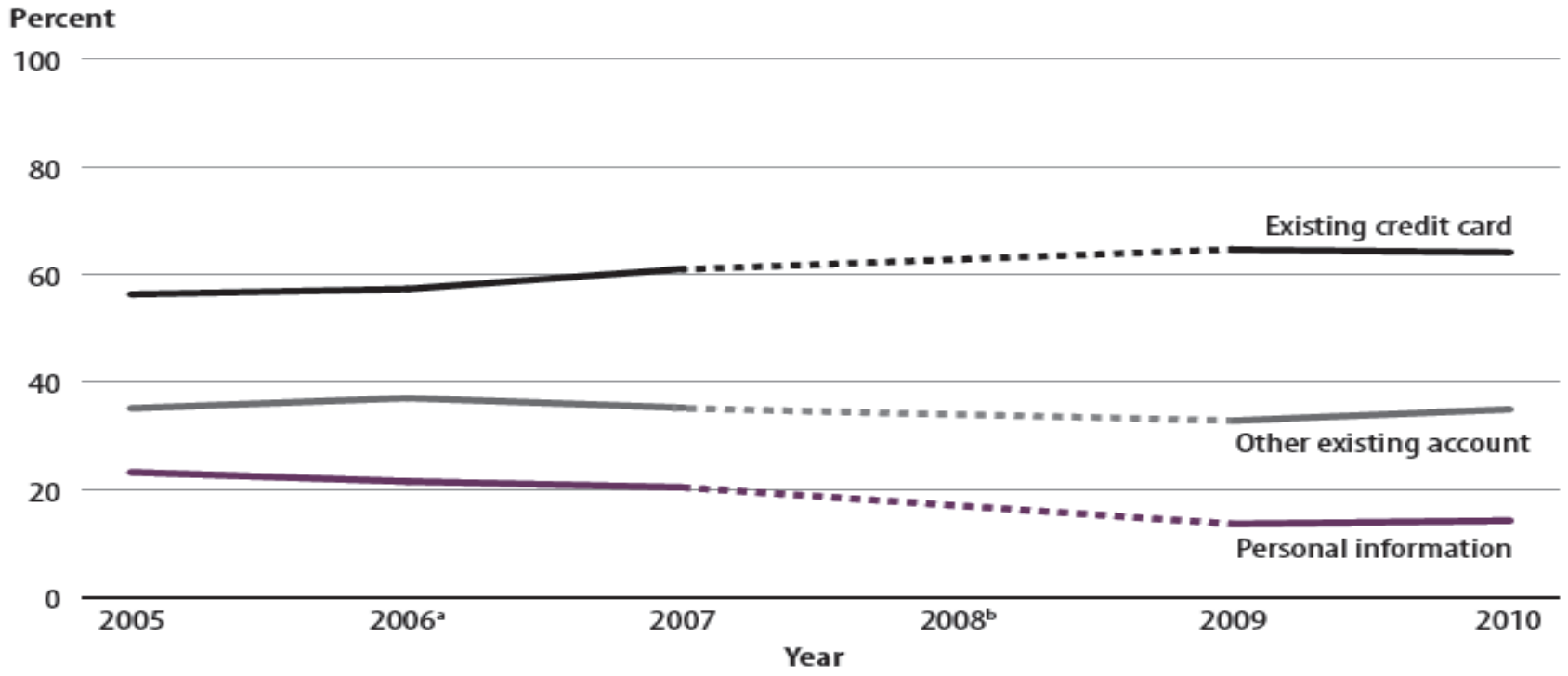
Key Findings

- In 2005, 5.5% of population, in 2010, 7.0%
- Increase from 2005 to 2010 = 1.5%, or 2.5 mil
- Reduction from 2009 of .5%
- Credit card is highest and has grown since 2005

Percentage of Type of Theft

FIGURE 2

Household identity theft victimizations involving the misuse of an existing credit card, other existing account, or personal information, 2005, 2006, 2007, 2009, and 2010



Compiled by the Bureau of Justice Statistics, US Department of Justice, 2011, *Crime Data Brief*

Ages of Victims

TABLE 1

Age, race, Hispanic origin, and marital status of head of households experiencing identity theft, 2005 and 2010

	2005		2010	
Head of household characteristic	Number	Percent in each category	Number	Percent in each category
Total	6,424,900	5.5%	8,571,900	7.0%
Age				
12–17	–!	--%!	15,700!	10.2%!
18–24	452,800	5.9	646,400	8.5
25–34	1,135,700	5.7	1,592,300	7.6
35–49	2,271,100	6.2	2,768,300	7.9
50–64	1,798,500	6.1	2,472,800	7.3
65 or older	766,800	3.3	1,076,500	4.3

Compiled by the Bureau of Justice Statistics, US Department of Justice, 2011, *Crime Data Brief*

Key Findings

- Total victims in 2010 = 8.6 million
- Heads of Household 12 – 17 yrs. shows up
- 65 and older group has less total %
- 50 – 64 sees largest relative % increase

Race of Victims

TABLE 1

Age, race, Hispanic origin, and marital status of head of households experiencing identity theft, 2005 and 2010

Race/Hispanic origin				
White*	4,918,400	5.8%	6,361,400	7.3%
Black/African American*	677,700	4.9	814,500	5.2
Hispanic	526,500	4.3	807,800	5.8
American Indian/Alaska native*	38,700	7.7	39,400	6.1
Asian/Hawaiian/Pacific Islander*	200,900	4.6	421,800	8.5
Two or more races*	62,600	8.6	127,100	11.6
Marital status				
Married	3,639,800	5.9%	5,029,400	8.0%
Not married	2,755,300	5.1	3,505,200	6.0

Compiled by the Bureau of Justice Statistics, US Department of Justice, 2011, *Crime Data Brief*

Total Financial Loss by Type

TABLE 4

Type of identity theft experienced by victimized households, and total financial loss attributed to each type of identity theft, 2010

Types of identity theft	Percent of identity theft victimizations*	Financial Loss	
		Total loss (in thousands)	Percent of total loss
All types	100.0%	$13,257,487	100.0%
Existing credit card	54.0	$4,214,848	31.8
Other existing account	25.6	$2,306,165	17.4
Personal information	9.0	$3,901,016	29.4
Multiple types	11.4	$2,835,459	21.4

Note: See appendix table 7 for standard errors.

*Percent of identity theft victimizations by type of theft does not match the percentages by type shown in figure 2 due to the inclusion of the multiple types category.

Compiled by the Bureau of Justice Statistics, US Department of Justice, 2011, *Crime Data Brief*

Key Findings

- Total financial loss of $13.3 billion
- Credit cards were 54% of victims, but 31.8% of cost
- Personal Information theft was 9% of total victims, but 29.4% of cost

The Latest Stats

Victims of Financial Loss

TABLE 2

Income, location, and size of households that experienced identity theft, 2005 and 2010

Household characteristic	2005 Number	2005 Percent in each category	2010 Number	2010 Percent in each category
Total	6,424,900	5.5%	8,571,900	7.0%
Household income				
Less than $7,500	240,400	4.7%	238,600	5.3%
$7,500–14,999	315,300	3.7	334,500	4.8
$15,000–24,999	455,900	3.9	470,500	4.6
$25,000–34,999	547,500	4.9	616,900	6.0
$35,000–49,999	773,300	5.5	884,700	6.6
$50,000–74,999	1,059,500	6.8	1,152,100	7.9
$75,000 or more	2,050,300	9.5	2,835,300	12.3
Unknown	982,600	3.3	2,039,400	5.1
Location				
Urban	2,037,300	5.8%	3,083,100	7.6%
Suburban	3,526,100	5.9	4,718,500	7.6
Rural	861,400	3.9	770,300	3.9

Compiled by the Bureau of Justice Statistics, US Department of Justice, 2011, *Crime Data Brief*

Key Findings

- Spoiler Alert—households with income of $75k or more experienced a higher % and it's growing
- Suburban and Urban dwellers experience victimization at a higher % and it's growing

Dollar Breakdown of Loss

TABLE 3

Households experiencing direct financial loss due to identity theft, by type of identity theft, 2005 and 2010

	2005					2010				
Financial loss	Total	Existing credit card	Other existing accounts	Personal information	Multiple types	Total	Existing credit card	Other existing accounts	Personal information	Multiple types
Amount of loss										
$0	18.5%	13.5%	17.2%	36.1%	16.0%	23.7%	21.1%	21.0%	50.8%	20.4%
$1–99	14.3	18.5	16.0	4.8	8.0	17.2	18.4	21.6	5.2	11.1
$100–499	23.4	25.6	27.4	12.1	22.5	24.6	25.7	28.1	7.2	24.8
$500–999	10.6	10.4	12.1	5.8	12.9	12.8	12.8	13.6	8.7	14.5
$1,000 or more	19.1	18.7	16.9	16.7	28.1	16.0	15.5	13.1	17.2	23.8
Don't know	14.1	12.7	10.5	24.4	12.6	5.8	6.5	2.7	10.9	5.4
All victimized households*										
Mean	$1,420	$920	$1,100	$2,820	$2,280	$1,640	$970	$1,080	$5,650	$3,070
Median	220	220	190	60	$390	200	200	100	0	300

Compiled by the Bureau of Justice Statistics, US Department of Justice, 2011, *Crime Data Brief*

Key Findings

- How much is the mean dollar amount by type?

Credit card	**=**	**$ 970**
Other Accounts	**=**	**$1,080**
Personal Info	**=**	**$5,650**

How About Total Files Exposed?

2011 = 368 Million

2009 = 191 Million

101 Million

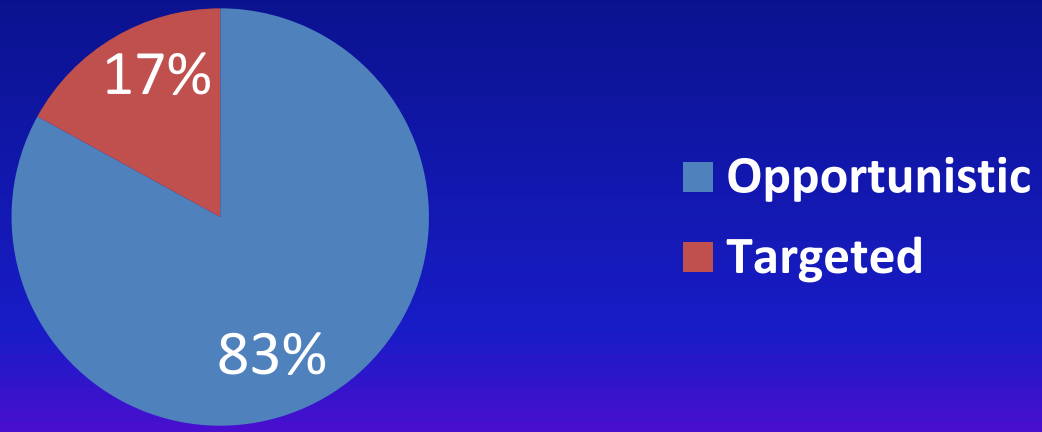
*Ponemon Institute

Major Types of Identity Theft

- **Financial** – Credit Cards and Bank Accounts
- **Tax** – Stealing your tax refund
- **Medical** – Access to drugs, treatment
- **Criminal** – Using your name in vain!
- **Driver's License** – Access to your license
- **Social Security** – Tax avoidance
- **Synthetic** – combination of numerous identities
- **Child/Minor** – Who's checking this?

Attack Targeting

- Opportunistic
  - victim presented an ease of attack
- Targeted
  - company or opportunity was targeted specifically, then a strategy was employed to breach



Verizon 2011 Data Breach Investigations Report

Malware

- Defined— software or code used to compromise or harm information assets, without owner's informed consent

How?

- 81% of the time, installed remotely by attacker
- 6% by internet, either automated or initiated
- 4% email

Hacking

- Defined—all attempts to intentionally access or harm information assets without authorization

How? Top 5!

- Exploitation of a backdoor (installed malware)
- Exploitation of default or guessable credentials
- Brute force and dictionary attacks
- Footprinting and fingerprinting
- Use of stolen login credentials

Social

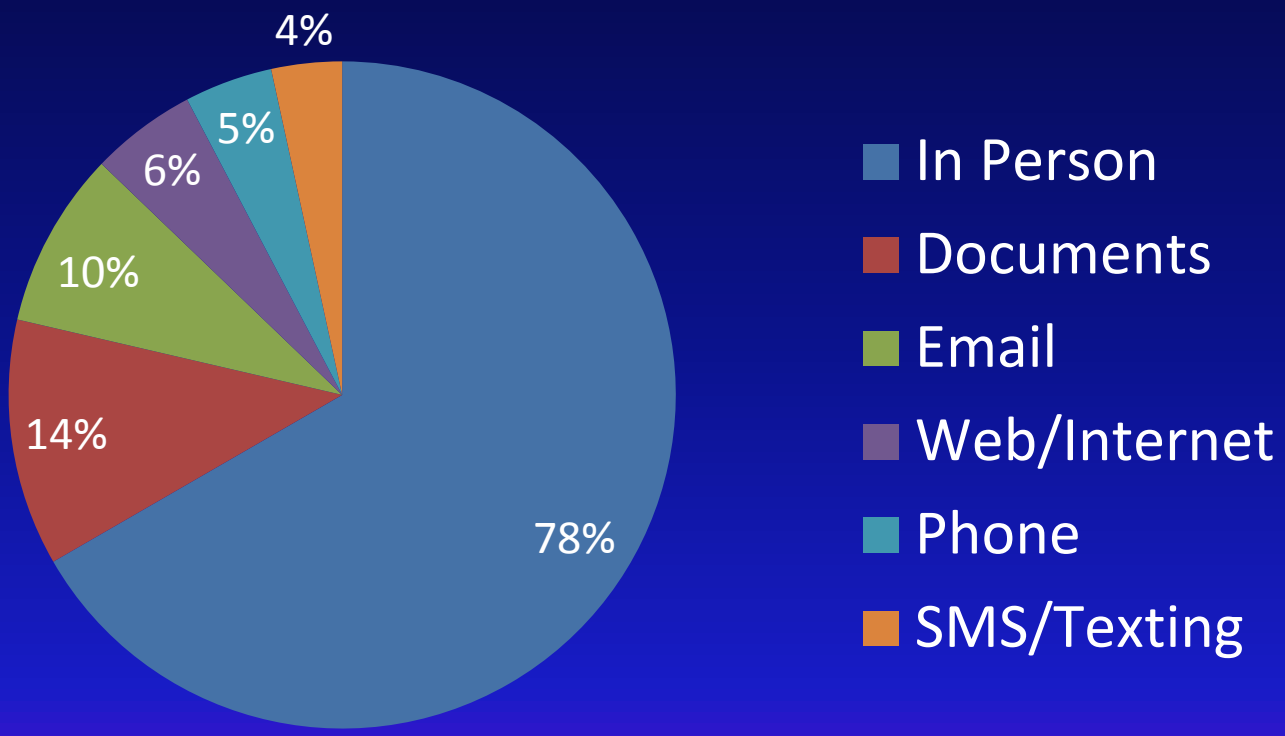
- Defined—deception, intimidation or manipulation to exploit us for access

How? Top 5!

- Solicitation/bribery
- Pretexting
- Counterfeiting/Forgery
- Phishing
- Hoax/Scam

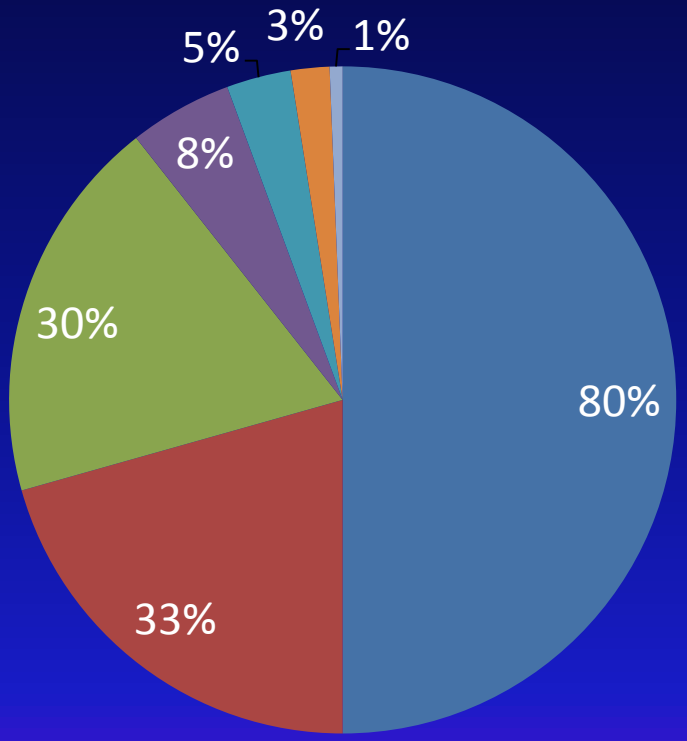
Social

Social Approaches



Social

Company Contacts



Misuse

- Defined—using entrusted organizational resources or privileges for any purpose or in a manner contrary to that which was intended

How? Top 5!

- Embezzlement/skimming/fraud
- Abuse of system access/privileges
- Use of unapproved hardware or devices
- Abuse of private knowledge
- Violation of Web, Internet and Email policies

Physical

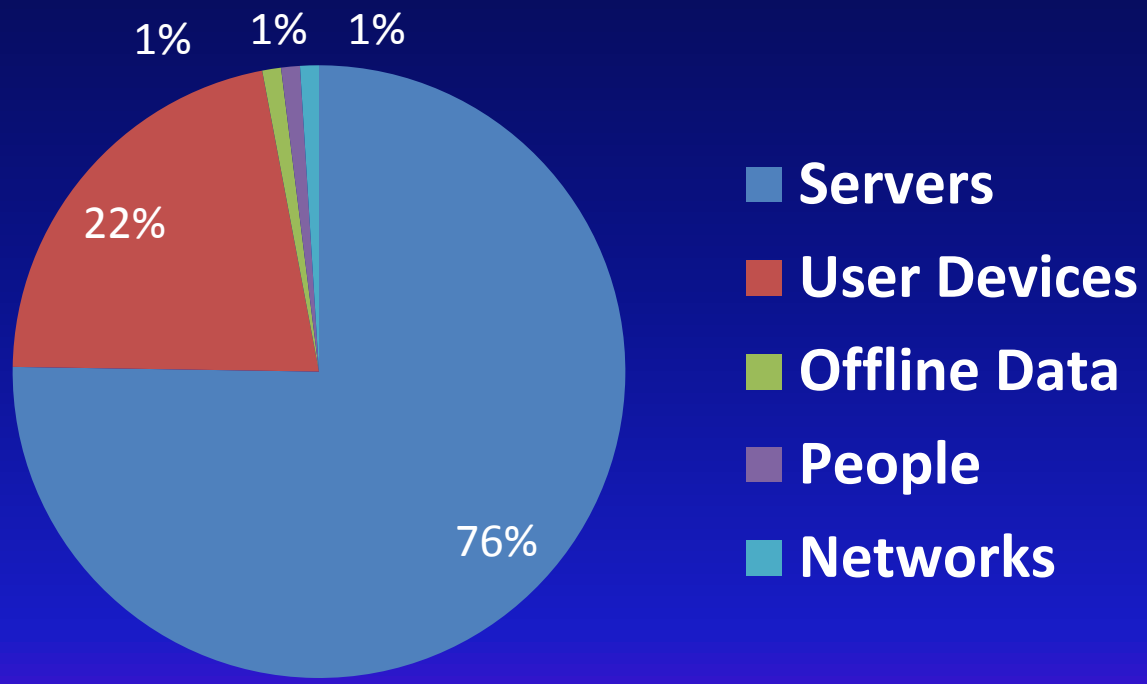
- Defined—human-driven threats that employ physical actions and/or require physical proximity

How? Top 5!

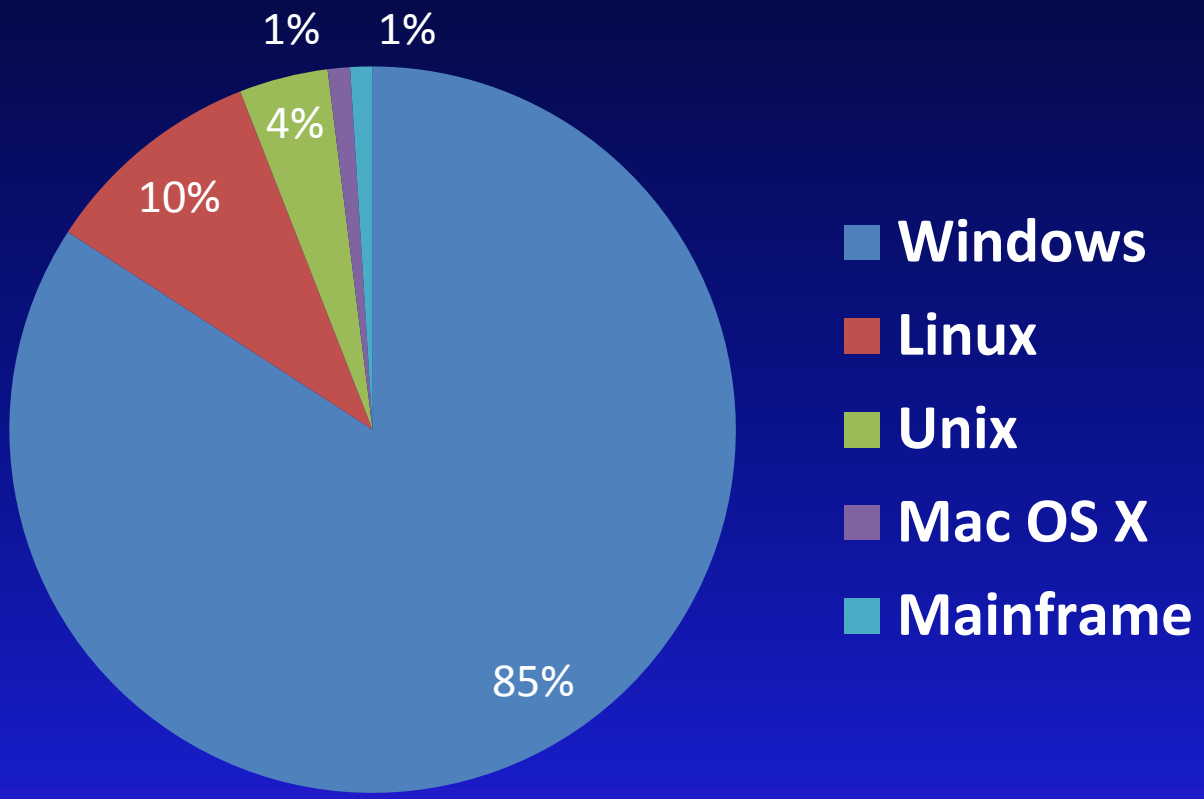
- Tampering (skimmers)
- Surveillance
- Theft
- Snooping
- Local Access

Asset Types

Devices or methods to gain access to the information

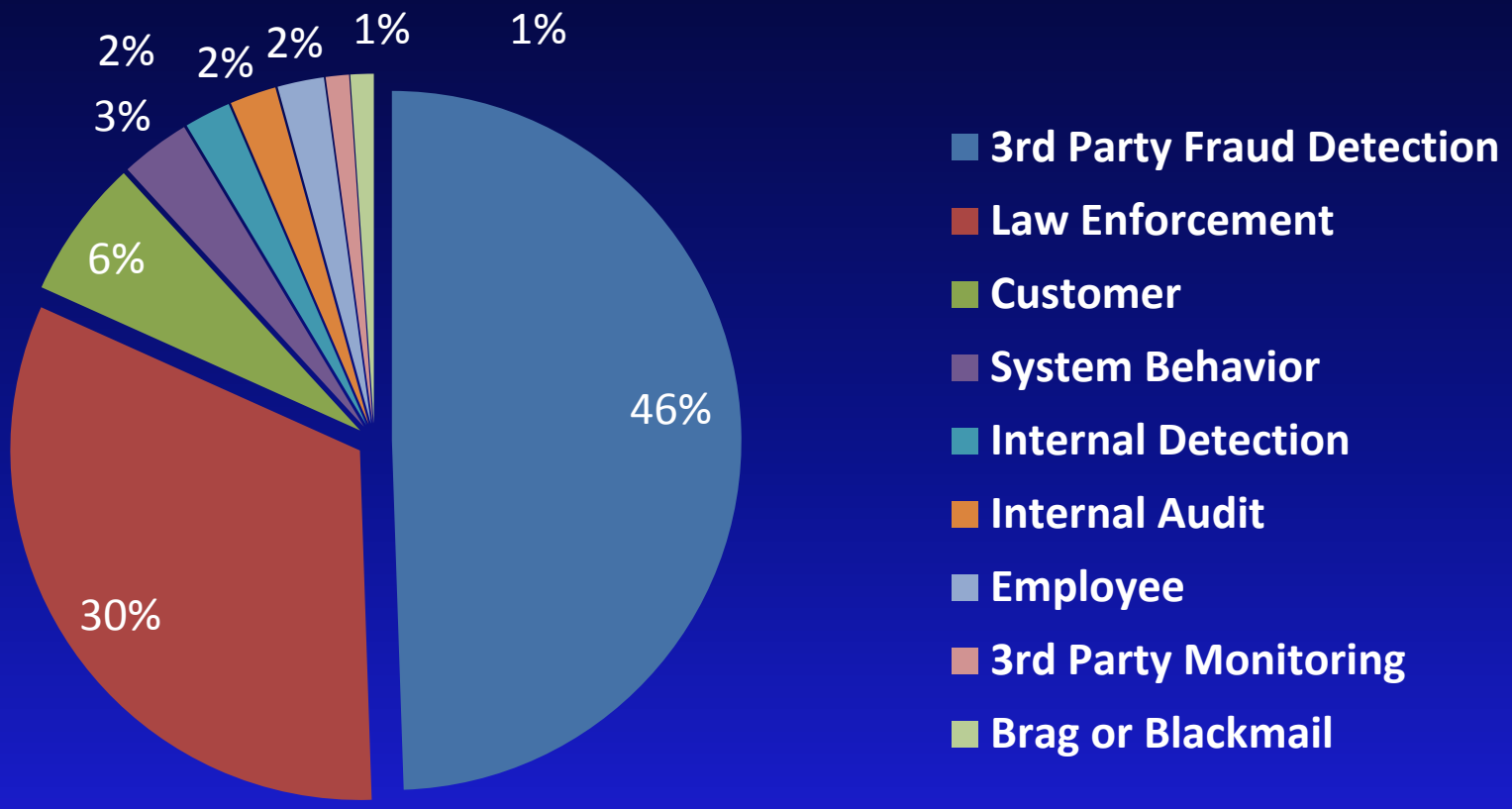


Operating Systems



Verizon 2011 Data Breach Investigations Report

How Do Companies Figure It Out?



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Corporate

- Access Control
  - Change default credentials
  - User Account checks
  - Restrict and monitor privileged users
- Network Management
  - Secure remote access services
  - Monitor and filter outbound information
- Development Security
  - Application testing and code review

Corporate

- Log Management and Analysis
  - Create logs for all access points and monitor them
  - Define what looks suspicious and monitor THAT
  - Focus dollars on efficiently finding, not instant
- Training and Awareness
  - Increase awareness of social engineering
  - Train customers/employees the signs of fraud/tampering
- Incident Management
  - Create an incidence response plan
  - Engage in mock incident testing

Corporate

- Lock the premises
- Store personal information and records under lock and key
- Buy a shredder and use it
- Take care when sharing info over the phone
- Install patches and virus software…keep up to date
- Limit access to sensitive information
- Disconnect ex-employees immediately

Personal

- Use online resources for passwords
  - Carbonite, Last Pass, Mitto, Need My Password
- Password protection thoughts
  - Kids, pets, cars, etc. — not good ideas
  - Instead:
    - Capitalize either all consonants or vowels
    - Use a telephone keypad to switch letters to numbers
    - Use more than one word
    - Use keyboard patterns
    - Choose objects from a picture or painting (vangogh'sear)
    - Use words to remember an event (buickV8)
    - Separate words with symbols (buick&V8)
    - Patterned passwords depending on site type

Personal

- LinkedIn and Facebook thoughts
  - Take great care in what you share
  - Don't post when you are out of town!
  - Don't 'friend' anyone you don't know
  - Use the 'limited' options to control personal data
- Youngsters, Teenagers and the Rest of Us!
  - Candid discussions about what to share
  - Candid discussions about what to open
  - Active involvement in the use of Facebook, Twitter, etc.
  - Computer scans, access points and parental blocks
  - Anti-virus software!

Personal

- Shred everything
- Secure personal information in the home via a safe or safety deposit box
- Don’t write down passwords, anywhere
- Be protective of your SSN
- Be cognizant of people around you when you use PINs and CVNs
- Don’t leave purses, laptops, iPads or any openly viewed items that prompt a theft
- Don’t use any equipment that appears altered

Corporate

- Purchase cyber crime coverage from your insurance provider
- Work with a carrier that automatically covers this via an organization like Identity Theft 911

Be certain there is coverage for:

- Monitoring of affected customers
- Costs of notification
- Assistance in securing what broke
- Risk mitigation and assessment services

Personal

- Work with a carrier that automatically covers this via an organization like Identity Theft 911
- Work with a carrier that has built their own coverage options
- Talk with your agent about concerns and needs and let them do the work
- Purchase your own coverage from places like LifeLock

Corporate

- Find out what happened
  - Contact authorities as required by law
- Seek legal advice
  - Compliance with 46 different state laws on notifications
- Check for insurance coverage
- Communicate early and often
- Eliminate the problem
- Rebuild
- Revisit your security plan

Entrepreneur Magazine, December 2011

Personal

- Put a fraud alert with credit reporting agencies and review your credit reports
- Contact the local police where it happened and complete a police report
- Close the accounts you know or believe were used
- File a complaint with the FTC
- Check with your insurance agent or carrier for coverage

Questions?

Thanks for your time today!