

# Commercial Product Update

## IDENTITY RECOVERY

### 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 name and credit history.

Harleysville Insurance's Identity Recovery insurance coverage combines identity theft insurance with services that help identity fraud victims restore their credit history and identity records to pre-theft status. Coverage and service are provided for key owners, employees and resident family members of key owners and employees. However, while Identity Recovery coverage is attached to a commercial lines policy, we are not insuring the business identity itself, but rather key individuals of the business. Identity Recovery coverage is automatically included when Data Compromise coverage is purchased, but can be purchased separately if Data Compromise coverage is not provided.

**Note: Identity Recovery coverage (\$25,000) will be added to all new Harleysville Businessowners policies, beginning Aug. 9, 2015, for new business effective on or after Nov. 1, 2015.**

### Identity Theft Affects Everyone

- "Someone used my Social Security number to get credit in my name...I have been turned down for jobs, credit, and refinancing offers. This is stressful and embarrassing. I want to open my own business, but it may be impossible with this unresolved problem hanging over my head."
- "My elderly parents are victims of credit fraud. We don't know what to do. Someone applied for credit cards in their name and charged nearly \$20,000. Two of the card companies have cleared my parents' name, but the third has turned the account over to a collection agency. The agency doesn't believe Mom and Dad didn't authorize the account. What can we do to stop the debt collector?"
- "Someone is using my name and Social Security number to open credit card accounts. All the accounts are in collections. I had no idea this was happening until I applied for a mortgage. Because these 'bad' accounts showed up on my credit report, I didn't get the mortgage."

### Smoothing the Road to Recovery

Our program combines insurance with service. Some companies offer coverage for expenses but offer no service to help people through this type of situation. Other companies offer a limited service capability with no coverage for financial exposures such as legal costs and lost wages. Our program brings together broad insurance coverage with a high-end service component.

According to the Federal Trade Commission, identity theft victims spend almost 300 million hours annually resolving their problems. It has been estimated that individual victims spend an average of 60 hours, sometimes much more, wading through the process of restoring their identity. This time can be stretched out over weeks or months depending on the severity of the theft.



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### Services That Ease the Pain

Harleysville's Identity Recovery coverage includes two levels of service to assist victims. Insureds who even suspect a problem can call our Identity Theft helpline at 1-877-800-5028, 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 to pre-theft status. The case manager can assist the victim by:

- Working with the three national credit repositories (Equifax, Experian and TransUnion), 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.
- Reviewing credit files and requesting a fraud alert with credit bureaus, where warranted.
- Preparing communications for insureds to send to 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.

Our case managers are licensed investigators who take action on behalf of insureds, with their permission, through a limited power of attorney.

### Insurance Protection to Cover Victims' Expenses

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

- Various legal fees caused by identity theft (including costs for both civil and criminal defense).
- Lost wages as a result of time away from work.
- Costs for child or elder care as a result of time away from home.
- Cost of obtaining credit repository reports.
- Fees when reapplying for loans initially declined due to falsified credit information.
- Postage, phone and shipping fees.
- Costs for mental health counseling (not available in NY).
- Costs for other expenses that arise directly from the identity theft.



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### Harleysville Identity Recovery Coverage Summary

#### Coverage:

Expense Reimbursement annual aggregate limit:	\$25,000
Expense Reimbursement Deductible:	\$0
Case Management Service:	Does not reduce the available limit

#### Eligibility and Pricing:

All insured policyholders purchasing Data Compromise will be given Identity Recovery coverage for key owners, officers, and resident family members, with no additional charge to the insured policyholder.

Insured policyholders not purchasing Data Compromise, who wish to purchase Identity Recovery, may do so at an annual premium of \$12 per policy.

