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Financial Coach

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Protecting Your Identity

You may have recently received a new or replacement Visa® or MasterCard® in the mail from your credit card provider with a small silver square on the front, known as a chip. While countries in Europe have been using the chip credit card for some time, it is relatively new in the United States. Many retailers in the U.S. have not installed the new chip card readers yet, so don't be surprised if your local coffee shop still has you swipe your card. The chip card technology was formulated by the credit card companies to reduce fraud and data security breaches. The magnetic strip on the back of a credit card has permanent information contained on it, which makes the data easy to steal, but the chip card creates a new transaction ID every time. A thief trying to use a stolen transaction number will be denied. Chip technology, along with many other new security measures are a response to the growing number of consumer complaints related to identity theft.

The Bureau of Justice Statistics (www.bis.gov) reports that in 2014, 17.6 million people had their identity stolen. The Department of Justice defines identity theft as (1) the unauthorized use or attempted use of an existing account; openina up an unauthorized account with your personal information: or (3)misuse of personal information for fraudulent purposes.

Number of Appearances States have been in the Top 10 of Highest Reported Identity Theft Complaints from 2005 – 2014



Source: Federal Trade Commission. Rated by incidents per 100,000 people. Michigan has been in the Top 10 three times in the past 10 years. Michigan ranked 4^{th} in 2013 and 6^{th} in 2014.

The old proverb states that the best defense is a good offense. You need to prevent the theft of your identity instead of fighting it after the fact, which can take years, cost a lot of money, and negatively affect your credit.

There is unfortunately no 100% fail-safe method to protect your identity, but there are steps you can take to make it harder for identity thieves to take what is rightfully yours.

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Tips to protect your identity:

- Never carry your Social Security card, birth certificate, or Medicare card with you.
- Review your credit card statements every month for suspicious charges.
- Shred all credit cards statements, preapproved credit card offers, tax returns, and all other financial documents that you no longer want to keep.
- Immediately report lost or stolen credit cards or checks.
- Retain all important financial records in a secure location, such as a locked safe.
- Mail your bills at the Post Office or in a USPS mailbox instead of your own mailbox.
- Require a password to access your laptop or personal computer.
- Make your computer passwords complicated, using many random letters, symbols, and numbers.
- Keep passwords stored away safely and out of sight.
- Do not save login and password information on banking or shopping sites.

- When you log out of banking and credit card sites, be sure to also close the browser.
- Refrain from using public computers, especially when entering passwords.
- Only use banking and shopping sites where the web address begins with https as opposed to http. Also look for the small lock symbol to know when a webpage is encrypted for transmission.



- Keep your virus protection software up-to-date.
- Obtain free credit reports at <u>annualcreditreport.com</u> every year from the three major credit bureaus to check for mistakes and suspicious activity.
- Remove yourself from junk mailing lists by calling (888) 567-8688 or visiting optoutprescreen.com.
- Do not respond to telephone or email verification for personal information from the IRS, Social Security Administration, or any financial institution. They should already have your personal information.

Steps to take if your identity has been stolen:

- 1) If you suspect that your identity has been stolen, you should call the police immediately and file a report. Be sure to get a copy of the police report.
- 2) Then contact the three credit bureaus (Equifax (800) 525-6285, Experian (888) 397-3742, TransUnion (800) 680-7289) and have them place a "fraud or credit alert" on your credit report. This alert will require creditors to contact you before opening new accounts or making changes to existing accounts, and is in effect for 90 days.
- 3) You will also need to complete a notarized Identity Theft Affidavit to provide to affected creditors, along with a copy of the police report, asking them to open an investigation and clear your name with the credit reporting bureaus.

As always, if you have any questions regarding this information, please do not hesitate to reach out to a member of your Tri-Star team.

