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Personal Touch

Volume 17, No. 4

ID theft: how does it happen?

In today's technologically advanced society, **identity theft** is both common and serious. The Identity Theft and Assumption Deterrence Act of 1998 defines identity theft as follows: when someone "*knowingly transfers or uses, without lawful authority, a means of identification of another person with the intent to commit, or to aid or abet, any unlawful activity that constitutes a violation of Federal law, or that constitutes a felony under any applicable State or local law.*"

The Internet and automated teller machines (ATMs), now widely used for a variety of financial transactions, such as shopping online and making cash withdrawals, are often cited as two contributing factors to identity theft.

If you are concerned about your personal information getting into the wrong hands, familiarize yourself with the following ways a thief might obtain information with the intent to steal money or commit other crimes:

"Shoulder Surfing." Shoulder surfing occurs when someone lurks nearby while you provide personal information to a person or enter it into a machine. Usually, the perpetrator peers over your shoulder and procures your information while you continue your transaction. For example, if you are in a public place using a cellular phone to make hotel reservations, an eavesdropper might be able to remember, or write down, your name and credit card information. That information can then be used to make fraudulent purchases. Or, if you make a purchase with a credit card and lose your receipt, someone—including store employees—could take the receipt with your information and commit fraud. Shoulder surfing can also occur at ATMs. If someone standing in line manages to get your personal identification number (PIN), it may provide easy access to your bank account.

Pickpocketing and Lost Wallets. Years ago, if you lost a wallet or were pickpocketed, you only

worried about the loss of cash. Today, being pickpocketed or losing a wallet can result in thousands of dollars in fraudulent purchases with credit cards.

"Dumpster Diving." If you dispose of trash in a dumpster, others may have access to it. Perpetrators might "dive in" and easily find the information they need, via old bank statements, receipts, and bills, to wreak financial havoc in your name.

Intercepting Mail. Identity thieves watch mailboxes every day, waiting for the arrival of the next credit card pre-approval letter. They then call the credit card company, posing as the intended recipient, to open an account. While you cannot stop *all* solicitations, you can choose to "opt out" of receiving *some* of these letters. Call 1-888-5-OPTOUT to minimize unsolicited mail and phone calls.

The Internet. Many Americans rely on the Internet to manage their personal finances. While it can be a

Did You Know?

The basic three: life, health, and disability insurance

Death, illness, and disability can cause financial and emotional stress. Although the thought of losing a loved one, of becoming sick, or of losing the ability to earn an income are not pleasant subjects to consider, they could drastically change your life at any time. **Life, health, and disability income insurance** can help you prepare for such unpredictable situations. Each plays an important role in helping to protect you and your family.



Life Insurance

The death of a loved one is an unfortunate reality that everyone must face at one time or another. If that person is a significant wage earner for the family, it could present some financial challenges. All expenses will continue, despite the sudden and noticeable loss of income. Funeral costs, mortgages, other outstanding debts, and daily expenditures add to the burden. Life insurance can help your family meet these costs and maintain your current lifestyle.

Besides offering financial protection in the case of an unexpected death, some life insurance policies offer a vital source of emergency funds. If you purchase **permanent life insurance**, you may borrow funds from your policy's cash value to help cover emergencies, enhance your retirement income, or pay for other expenses. It is important to keep in mind that access to cash values through borrowing or partial surrenders can reduce the policy's cash value and death benefit, can increase the chance that the policy will lapse, and may result in a tax liability if the policy terminates before the death of the insured. If you want coverage for a specific time period and financial protection in the case of death is the sole purpose, then **term life insurance** may help meet these objectives.

Health Insurance

To ensure that your family can afford necessary medical attention, a health insurance policy is crucial. Currently, there are four major types of health insurance: 1) fee-for-service, also known as a conventional policy; 2) health maintenance organizations (HMOs); 3) preferred provider organizations (PPOs); and 4) point-of-service (POS) policies. Each plan has unique benefits and limitations, so be sure to carefully evaluate any policy before making your decision.

Disability Income Insurance

According to the Insurance Information Institute (2009), the probability of the average 40-year-old worker sustaining a disability before age 65 is approximately 21%, while the

Smartphone Security

A 2009 survey conducted by Internet security company Trend Micro shows that only 23% of users utilize the security software installed on their smartphone. Even though nearly 50% have been infected with malware, one in five believe installing security software would not be very effective since they feel there is limited risk in smartphone surfing. In fact, 44% believe that surfing the Internet on a smartphone is just as safe as their PC, if not safer.

Water Issues

A global public opinion survey on attitudes about fresh water sustainability, management, and conservation found that people around the world view water issues as the planet's top environmental concern. Of the 18,500 people surveyed across 22 countries by GlobeScan, Inc., 93% said water pollution is a very serious or somewhat serious problem, and over 90% said that a shortage of fresh water is a very serious or somewhat serious problem.

Vehicle Maintenance and Economy

According to a 2009 Frost & Sullivan survey of 1,085 vehicle owners, regular auto maintenance, such as oil changes, air filter changes, and tire maintenance, is being performed less frequently when compared to 2006. This trend appears to be in response to the economy, as vehicle owners try to save money. Still, most vehicle owners (73%) believe it is important to be proactive about vehicle maintenance and follow their owner's manual for maintenance recommendations.

For Your Information

Weather or Not!

The National Weather Service (NWS) provides weather, hydrologic, and climate forecasts and warnings for the United States, its territories, adjacent waters, and ocean areas, for the protection of life and property and enhancement of the national economy. NWS data and products form a database that can be used by governmental agencies, the private sector, and the global community. Visit www.weather.gov for more information.

Environmental Kids Club

The EPA Environmental Kids Club encourages young children to explore and protect their environment through interactive games, activities, pictures, music, videos, and stories. Children from K-6 can learn about climate change, acid rain, water treatment, air quality, plants and animals, recycling, etc. They may also join the Planet Protectors' Club and the Earth Artists program. To learn more, log on to www.epa.gov/kids.

Historic Homeowners

When historic homes are poorly maintained or torn down, a part of the past disappears forever. The National Trust for Historic Preservation helps owners of older and historic homes to be knowledgeable stewards of their own "historic site." Their website provides a wealth of information about preserving historic homes, obtaining plaques, researching the history, making homes more eco-friendly, ensuring proper rehabilitation and restoration, and more. For more information, visit www.preservationnation.org.

Water in the basement: causes and protection

Flooding in basements can cause expensive water damage, especially if problems are not identified and rectified quickly. Many times, soil settles alongside a building, allowing rainfall to flow toward it and down a



foundation wall. Water can then find its way into the basement through cracks in the home's foundation or floor slab.

Water damage to a home through its basement may occur after rapid, heavy rainstorms. In order to prevent this problem, drainage can be improved by installing systems that allow water to drain away from the building, such as French drains. Owners can also seal the basement walls and floors in order to prevent flooding.

It is important to note that **homeowners insurance** does not cover flood damage. However, you can protect yourself by purchasing special **flood insurance**, available from insurance agencies through the National Flood Insurance Program (NFIP). A preferred risk policy through the NFIP, which covers both a building and its contents, costs about \$120 per year. In general, flood insurance covers overflow of inland or tidal waters; unusual and rapid accumulation or runoff of surface waters from any source; or mudflow.

ID theft: how does it happen?

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useful tool for banking or paying bills, the Internet can also be a haven for prospective identity thieves. Entering your personal information into an unsecured website may allow an experienced hacker to obtain that information and use it at your expense.

Protecting Yourself

If you become a victim, it can be financially, as well as emotionally, devastating. With your personal information, a criminal might be able to simply open a credit card account and make fraudu-

lent charges, or in more extreme cases, he or she may even assume your identity, open bank accounts, and commit more serious crimes—all under your name. These are just some of the ways criminals commit identity theft, the effects of which can be difficult and time-consuming to correct. Therefore, taking steps now to protect yourself may save you aggravation and money in the long run. For more details on avoiding identity theft, visit the Federal Trade Commission (FTC) online at www.ftc.gov.

Review your insurance needs annually

The amount of insurance you need can change considerably from year to year. Therefore, evaluating your insurance coverage annually is important. Be sure to check for any gaps in your coverage and make sure you are adequately protected.

To refresh your memory about the amount of insurance you have and its coverage limits, carefully re-read your **auto** and **homeowners** or **renters insurance** policies. Be sure you are familiar with their provisions and exclusions. Here are some issues to consider when reviewing your coverage.

Auto Insurance

Check the type and amount of your insurance, and make sure that your liability limits are sufficient should you be involved in an accident. If you wish to save money on your premiums, talk to your insurance agent about increasing your deductibles for collision and comprehensive coverage.

Homeowners and Renters Insurance

Unfortunately, no one's home is immune to burglary or destruction from

natural disasters. If you had to rebuild your home and/or replace its contents, would you have enough insurance to cover the rebuilding and replacement costs? Be sure to regularly assess your cost to rebuild, including your personal possessions, so that you can adjust your insurance coverage for appreciation, rising construction costs, and home improvements.

An independent appraiser or an agent from our office can help you estimate the current cost of rebuilding your home. Make a detailed list of all your personal belongings. Then, photograph or videotape each room in your home, including closets and cabinets. Be sure to keep important receipts, document the serial numbers of your appliances and electronic equipment, and store a copy of the final inventory in a safe place away from home.

Are There Gaps in Your Coverage?

As part of your insurance review, you need to recognize that your basic homeowner policy and auto policy may not be enough to cover your cur-

rent needs. For instance, you may need additional insurance to protect your home and its contents against a flood or earthquake. If you own antiques or other valuables, you may need to insure them separately.

You may want to consider a **personal umbrella policy**. Personal umbrellas provide extra liability protection and broaden coverage to include many situations that are not covered under your current policies, such as copyright infringement, liable, slander, and other legal issues associated with the use of social networking sites. An umbrella can also provide funding for legal defense expenses when primary insurance coverage does not apply. Most umbrella policies offer coverage in \$1,000,000 increments.

If you have any questions concerning your insurance program, please do not hesitate to call us for assistance. One of our qualified insurance professionals would be happy to explain your insurance policies and help you fill in any gaps in your coverage.

The basic three: life, health, and disability insurance

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likelihood that one would die before age 65 is 14%. Yet, disability income insurance is often overlooked. While people generally recognize the need for life, homeowners, and auto insurance, they often forget to insure their income. If, due to a severe illness or injury, you are unable to work for an extended period

of time, a disability income insurance policy could provide a source of income to help cover your financial obligations.

There is a variety of coverage options for disability income insurance policies. Be sure to check the policy's definition of disability as some policies may provide benefits only if the insured

is totally disabled and unable to work in any field.

Illness, death, and disability are difficult enough without adding the fear and stress of financial problems. To avoid serious gaps in your insurance plan, talk with one of our qualified insurance professionals.