

The growing threat of ID theft



There is a need for greater awareness and development of more insurance products covering identity (ID) theft in Turkey and other developing countries, says **Mr A Cenk Babadogan** of **CNK Insurance and Reinsurance Brokers**.

ID theft is a growing threat and awareness of it should be promoted. The US is a country which is one of the most sensitive to ID theft, as seen through both with its social awareness and law, which regard, ID theft as a federal offence. In developing countries, ID theft is considered as a step in committing other crimes, not as a separate crime.

In order to create awareness of ID theft, it first has to be defined clearly: a person's lining his own pockets by misleading and persuading the society and the environment to think that he is another person with the victim's ID, and by inflicting moral and material damages to that victim's interests and position.

Means of ID theft

The loss of documents such as identity card, driver's licence, social security card, ATM card, credit card and passport is one of the simplest ways for ID theft to take place. Most of us panic for a while after these documents are lost or stolen, and then try to get them issued again. But the most important detail of getting a local police report tends to be forgotten, especially when the loss takes place overseas.

Many people do not know that for the report to be valid internationally, it must be notarised. It is also important to mention the serial number and particulars of stolen PCs in the official report. Such a detailed report would serve as an official document for the victim of the theft to defend himself against accusations that may arise if that PC is to

be used for future illegal activities.

Other methods of ID theft include:

- Stealing of documents from mail boxes or waste paper baskets;
- Copying of the files from PCs or mobile phones;
- Seizing of storage of old PCs, hard disks or USBs which have not been erased completely;
- Receiving personal information by creating a site that is similar to a trusted web site;
- Hacking of IT systems;
- Sending viruses to seize personal information;
- Searching for personal information on the internet through search engines;
- Following personal combinations and passwords illegally;
- Seizing personal information by tricking people face to face or on the phone;
- Sending a third party's documents to another address by making an address change;
- Seizing other detailed information by using existing basic information illegally;
- Using a health insurance card at a hospital in the name of the card holder; and
- Seizing personal information through the simplest form of extortion, theft and by force.

Role of insurance in ID theft

The US has provided a variety of products to cover against the risks of ID theft. These include coverage for health and health insurance fraud, stealing of information electronically, tax fraud, and financial fraud.

In Turkey, only a few companies have started selling ID theft insurance, with small limits. Coverage generally consists of expenses needed to re-issue the ID, attorney fees up to a specific amount, and damages that occur within small limits. For payment to take place, a police report is required.

These types of insurance policies are sold with low premiums. But since awareness regarding ID theft is still low, the number of such policies are small and their limits and guarantees stay low because the policies are not produced in large amounts.

In the US, however, insurance plans of up to US\$1 million in deductibles can be sold, and the premiums paid for these products are quite reasonable. Indeed, similar products should also be offered in Turkey and other developing countries. The diversity of such products can only be achieved by developing social awareness regarding ID theft. 

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