



# Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

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**FOR IMMEDIATE RELEASE**

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## **Commissioner's Corner—October 2008** **By Sandy Praeger, Commissioner of Insurance**

### **Be shrewd with identity, senior sales issues**

TOPEKA, Kan. – October is designated as National Crime Prevention Month by the National Crime Prevention Council. Taking personal responsibility for your safety is a big part of the promotion during this month.

Being safe not only includes physical safety but also financial safety. Your financial safety, including your insurance, is certainly in the glare of the national spotlight today. That's why it's so important to make sure you protect yourself from consumer fraud such as identity theft and abusive sales practices concerning sales of life insurance and annuities.

Being shrewd in your dealings regarding your identity or your insurance is certainly not rude; it's just the right thing to do.

Let's take identity theft first. According to the Federal Trade Commission (FTC), a total of 8.3 million incidents of identity theft occurred in the United States in 2006, the latest reporting year. Those incidents cost consumers billions of dollars. In Kansas, the FTC said more than 1,600 citizens were victims of identity theft during the same year.

Identity thieves use many methods to steal your personal information. There's dumpster diving, when they go through your trash looking for bills or other items with personal information. There's phishing, when they pretend to be financial institutions or companies and send you e-mails to get you to reveal information. There's "old-fashioned" stealing of your mail, purses or personnel records.

All of those methods can lead to the destruction of your credit and good name, unless you are shrewd enough to safeguard your information. You can do this in many ways:

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- Carry only necessary information. Do not carry your Social Security card.
- Treat your credit cards, insurance cards and checks as if they were cash.
- Do not carry personal identification numbers (PINS) — memorize them.
- Make photocopies of your financial information and the credit cards you carry — then place them in a secure place in case your papers and cards are stolen.
- Don't give out information unless you initiated a telephone call to a legitimate entity.
- Think twice, especially if you don't understand why certain information is needed by a solicitor. Don't think you are rude in asking why it is needed — legitimate solicitors will understand.
- Use a shredder to destroy unneeded documents and mail solicitations.
- Pick up your incoming mail promptly, and put your outgoing mail in United States Postal Service mail drop.
- Remember — if it seems too good to be true, it probably is.

### **Be wary of “special designations” for life, annuity sales**

The National Association of Insurance Commissioners (NAIC), of which I am currently president, recently adopted a model regulation to help protect insurance consumers — particularly older citizens — from unscrupulous, abusive sales practices and fraud.

The new model regulation establishes standards for the use of professional designations by insurance agents as they promote the sale of life insurance or annuities. Individuals who sell these products often market them to seniors by touting their credentials as a “retirement planner,” “senior adviser” or “senior consultant.” The NAIC model regulation prohibits the use of such senior-specific certifications, with any misrepresentation of the level of the agents' expertise subject to penalties under state law.

I especially urge older Kansans to follow these tips:

- Question the credentials of “experts.”
- Beware of “free lunch” investment seminars.
- Ask yourself: Does this product make sense to me and for me?
- Never make a final decision at a seminar.
- Report suspected scams.
- Contact the Kansas Insurance Department Consumer Assistance Hotline for more information. The number is 800-432-2484.

Especially in trying economic times, Kansans should be able to trust the people who handle their money. The Kansas Insurance Department will take swift action against those who would mislead consumers with titles that imply special expertise that doesn't really exist.

Both identity theft and designation scams are examples of why consumers need to be savvy when dealing with insurance or financial situations. Again, don't feel that you are being rude when you ask to verify information from those who are soliciting your money. After all, it's your life and your property you are protecting.

*The Kansas Insurance Department, established in 1871, assists and educates consumers, regulates and reviews companies and licenses agents selling insurance products in the state. More about the department is online at [www.ksinsurance.org](http://www.ksinsurance.org).*