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LOUISIANA PROPERTY & CASUALTY INSURANCE COMMISSION



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Commissioner of Insurance

Terrell B. Moss, Director

MONTHLY REPORT

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Survey: Which Risks Worry Consumers Most

It seems fitting that a survey of consumers' greatest worries should be released this month, since it ends with a day of haunting. For a second year, Travelers has polled adults across the country aged 18 to 69 on the risks they believe are most prevalent in their lives and compiled the findings in a "Consumer Risk Index." The stated intent of the report: "By identifying key trends and risks of greatest concern..., we hope to start a dialog around how Americans can better prepare for the unexpected and lead safer lives."

The results reveal gaps between the perception of a risk and the belief that "it can't happen to me." In general, 63 percent perceive the world as getting riskier, but 53 percent believe that they and their family are at low or no risk. When asked to name the issues they worry some or a great deal about, top responses were money/financial risks (65%), personal privacy loss/identity theft (61%) and health concerns (58%). The survey also asked participants to rank several specific concerns including: distracted driving (85 percent have some or a great deal of concern) and severe damaging weather (64 percent believe it is becoming more frequent in the U.S. and 39 percent believe it is becoming more frequent in their area).

Closer questioning revealed that almost all (89%) have at least some concern of getting into an accident due to another's distracted driving. However, only 31 percent worry about getting into an accident due to their own distraction by a mobile device or other technology.

The survey also found that many are addressing their fears through planning and taking actions "to reduce common but potentially deadly hazards." Many have a plan for what to do before (72%) and immediately after (65%) severe weather or a natural disaster (tornado, hurricane, brush fire, blizzard). Preparations include storing food, water, and flashlights for 64 percent and an evacuation plan for 52 percent. For drivers, 85 percent have an annual car safety check and 82 percent are alert for distracted drivers and pedestrians. Many homeowners have installed carbon monoxide and smoke detectors (82%) and burglar alarms (40%).

As one might expect, Travelers was also interested in gauging insurance coverage. Sixty-four percent of survey respondents said that they reviewed their personal risk and insurance coverage at least once a year. Many said that they were "very confident" in their current auto (76%) and home (69%) insurance coverage.

Identity Theft and Cyber Security

The world has changed a lot since the days of the Great Depression and bank robber Willie Sutton, but crooks still go "where the money is," frequently in more sophisticated ways. In our world of credit cards, computers, smartphones and other electronic devices, the theft of one's personal information - identity theft - is like money in the bank to fraudsters. By using stolen information to impersonate them, a victim's bank account can be emptied, phony insurance policies can be established, unauthorized credit cards can be opened and abused, and unauthorized bank loans can be obtained. Unfortunately, data theft scams are likely to increase with the approaching holiday season.

According to the Federal Trade Commission, last year identity fraud impacted more than 13 million consumers who suffered more than \$18 billion in losses and averaged \$2,294 per incident. But it is not just the money, it is the time it takes to recover your identity and restore your creditworthiness, which can take from weeks to years depending on the severity of the damage.

So, what are we thoroughly modern consumers to do? Insurance can help lessen the loss. Most homeowner's insurance policies provide limited coverage for the theft of money or credit cards. Some insurers include much more expansive coverage for identity theft in their homeowner's policy or offer it as an endorsement or stand-alone policy. Safeguard your wallet, checkbook, credit cards, receipts and other physical documents, since

almost half of identity theft cases are the result of these being either lost or stolen. Which brings us to the cyber world of online shopping, emailed “phishing” scams, and other schemes to hijack the personal information from our digital devices.

October is, and has been for the past 11 years, “National Cyber Security Awareness Month.” To advance this cause the Department of Homeland Security offers a volume of information (See www.dhs.gov/national-cyber-security-awareness-month-2014) The Insurance Information Institute, also, offers a number of tips for avoiding identity theft, including the following:

- Do not give out personal information whether on the phone, through the mail, or over the Internet unless you have initiated the contact or are sure you know who you are dealing with and that they have a secure line.
- Proceed with caution when shopping online. Use only authenticated websites to conduct business online. Before submitting personal information through a website, check for the locked padlock image on your browser’s status bar or look for “https://” (rather than “http://”) in your browser window.
- Be aware of phishing and pharming scams. In these scams, criminals use fake emails and websites to impersonate legitimate organizations. Exercise caution when opening emails and instant messages from unknown sources and never give out personal, financial, or password related information via email.
- Make sure you have firewall, anti-spyware and anti-virus programs installed on your computer and that these programs are up to date.
- Monitor your accounts. Don’t rely on your credit card company or bank to alert you of suspicious activity.
- Place passwords on your credit card, bank and phone accounts. Avoid using easily available information like your mother’s maiden name, your birth date, any part of your Social Security or phone number, or any series of consecutive numbers. If you suspect a problem with your credit card, change your password.

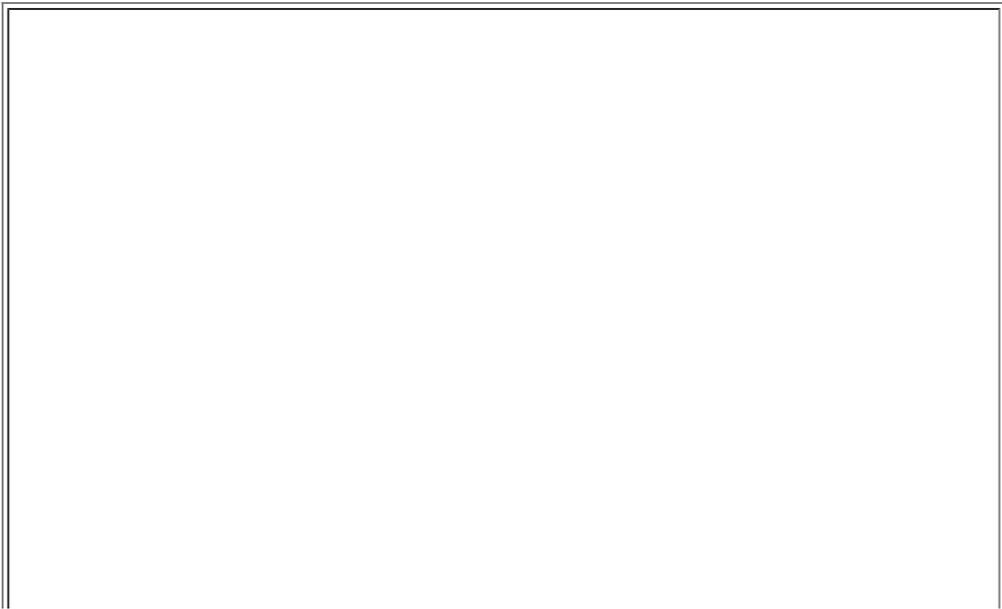
Congratulations to Richard A. “Ritchie” Clements

Mr. Clements was installed president of the National Association of Professional Insurance Agents at the group’s national convention in September. He is a former member of the LPCIC and served as vice-chairman of the group.

2014 Conference on Insurance Fraud and Auto Theft

The Louisiana Department of Insurance (LDI) and the Louisiana Automobile Theft and Insurance Fraud Prevention Authority (LATIFPA) hosted the 2014 Conference on Insurance Fraud and Auto Theft on October 15.

The conference brought together national, state and local experts to discuss the trends and impacts of automobile theft and insurance fraud and strategies for preventing these crimes. The event featured presentations and panel discussions on disaster fraud, insurance fraud trends and impacts, combating vehicle theft, health care fraud, insurance fraud investigation and insurance fraud prosecution.





LATIFPA Director Jeffrey Zewe welcomes attendees to the conference.



Commissioner Jim Donelon opened the conference and noted that insurance fraud costs Americans at least \$80 billion a year across all lines of insurance.



(L to R) Warren Byrd, LDI Deputy Commissioner of Property and Casualty and Chair of the LATIFPA Board; Jim Donelon, Louisiana Insurance Commissioner and Walter Green, United States Attorney for the Middle District of Louisiana.

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