



IDENTITY THEFT PROTECTION: A HIGH-VALUE EMPLOYEE BENEFIT



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Choosing the right employee benefits can feel overwhelming. Optional employee benefits can range from retirement savings plans to onsite yoga classes. The choices can feel endless. How do you put together a package that's attractive, useful and relevant to a diverse team? Determining the benefits that bring high value and peace of mind to employees is important.

Identity Theft Protection as an Employee Benefit

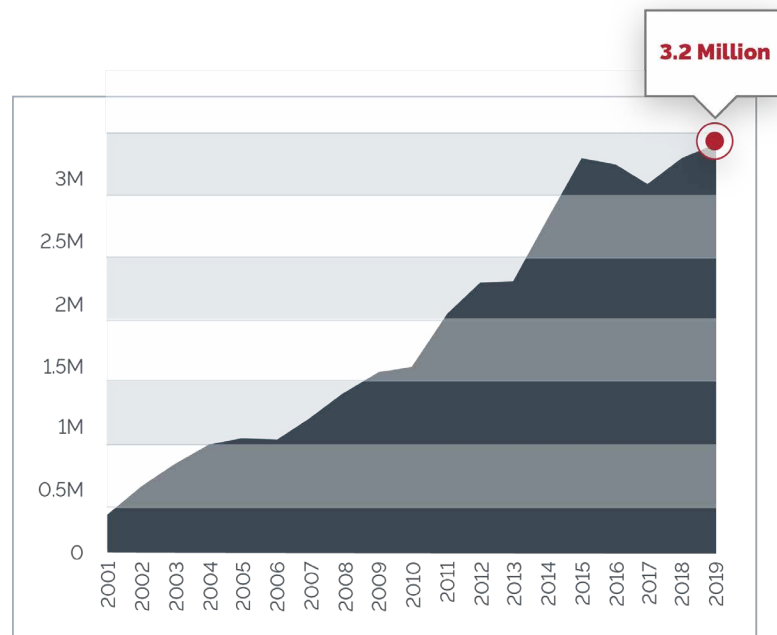


One employee benefit that has become essential is **identity theft protection**. From data breaches at MGM Resorts to the Zoom conferencing app, millions of records containing personal information have been exposed already this year, putting victims at risk for identity theft. Companies can also

inadvertently play a role in disclosing their employees' private information. Regardless of how personal information is exposed, when employees become the victim of identity theft it can leave negative lasting effects on the employees as well as their employers.

The Rise of Identity Theft

Last year, the United States recorded its highest number of identity theft cases in history. According to the Federal Trade Commission's (FTC) Consumer Sentinel Network, which takes reports from consumers about problems they experience in the marketplace, there were 3.2 million reported cases involving fraud, identity theft and other related scams. Of those 3.2 million cases, 1.7 million were fraud reports and 23% of those victims reported losing a total of \$1.9 billion combined. The most common category of fraud reported was identity theft.



Number of Fraud, Identity Theft & Other Reports by Year

Source: FTC Consumer Sentinel Network

Identity Theft in the Workplace

Where does identity theft originate? The Society for Human Resource Management has found that as much as **30% to 50% of identity theft cases begin in the workplace**. This is caused by the sensitive nature of the data businesses are responsible for storing, paired with a lack of proper cybersecurity protocols to protect it. In many cases, for instance, employees have access to private data that makes them ideal targets for cybercriminals looking to infiltrate company records. Cybercriminals attain this data

through a variety of identity theft tactics such as account takeovers and impersonation, which they accomplish using strategies like phishing attacks designed to steal employee credentials. Even upper management has fallen victim to identity theft. Studies from cybersecurity companies such as AT&T Cybersecurity have found that one-third of its research sample had executives at their companies fall victim to targeted phishing scams.



How Identity Theft Impacts Employees & Employers

When an employee experiences identity theft, they aren't the only ones who are negatively affected. Employers can also feel the impact.

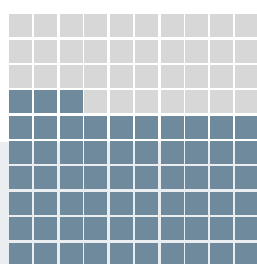
One of the biggest costs organizations face today is the financial losses associated with employee disengagement. According to DecisionWise, a global leader in employee engagement research and consulting, a disengaged employee can cost a company around \$3,400 for every \$10,000 in annual salary. In total, disengaged employees cost the American economy an estimated \$350 billion a year due to lost productivity.

Given that the process of identity restoration takes place during normal business hours, many employees can't help but feel disengaged from work. According to the FTC, it can take up to 200 hours to recover from identity theft-related fraud. Many employees find themselves having to take time off work to resolve an incident.

With the national average hourly rate at \$27.16, this translates to **average company losses of up to \$5,432 per identity theft incident**. In addition, the stress people experience from feeling unsafe has consequences that can negatively impact an employee's concentration, physical health and workplace morale. In an Identity Theft Resource Center survey on the aftermath of identity fraud, victims reported the following:

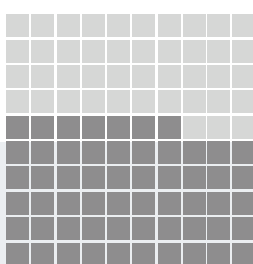
- **84%** reported issues with their sleep habits
- **77%** reported increased stress levels
- **63%** had trouble concentrating
- **57%** had persistent aches, pains, headaches and other health issues
- **41%** said they could not pay their bills
- **32%** had problems at their place of employment
- **22%** took time off work

Employee Impact of Identity Theft



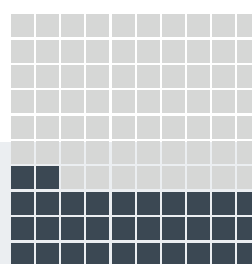
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Of victims had trouble concentrating.



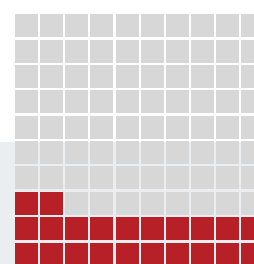
57%

Of victims had headaches, stomach issues and other health issues.



32%

Of victims had problems at their place of employment.



22%

Of victims took time off work.

How to Help Protect Your Employees from Identity Theft

Identity theft is a growing problem that continues to escalate as personal information gets stolen via data breaches or ever-evolving scam strategies. When a team member experiences identity theft, the fallout may include out-of-pocket expenses, damaged credit, tax debt and even a criminal record.

The least tangible effect, but possibly the most damaging, is the emotional toll that can negatively impact the individual's physical health, relationships and workplace engagement. Recovery can take months or even years, depending on the extent of the fraud. Taking steps to help your employees act quickly before identity theft can cause

a significant financial and emotional burden for everyone involved goes a long way in providing peace of mind.

With the benefit of identity theft protection services from an industry leader, such as IdentityIQ® services, employees are able to act quickly if they suspect their identity has been stolen. Employees can receive credit report and identity theft monitoring, expert identity theft restoration assistance and identity theft insurance coverage that reimburses for lost funds and legal fees.* Identity theft protection services are a tax-free employee benefit that makes sense for employees and their employers.

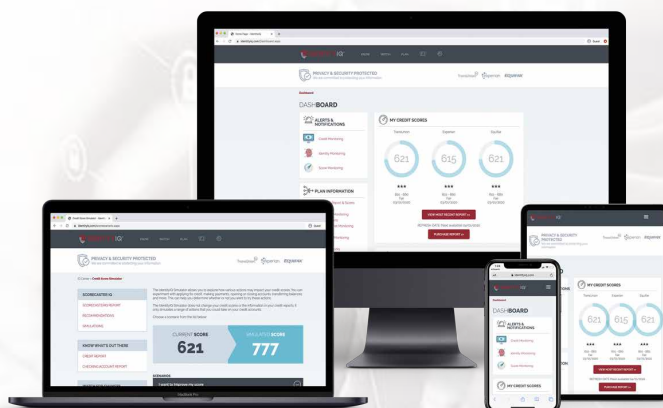




SCOTT HERMANN
CEO

About IdentityIQ

Offered by IDIQ®, IdentityIQ® services are the solution for credit report and identity theft monitoring. Our team of experts utilizes innovative techniques for active credit report monitoring and identity theft protection, so you have financial peace of mind. An industry leader, IdentityIQ services have been named to the Inc. 5000 list of the fastest-growing companies in the United States by “Inc.” magazine and “50 Most Valuable Brands of the Year” by “The Silicon Review”. For more information, visit IdentityIQ.com.



SOURCES:

Federal Trade Commission; DecisionWise; Society for Human Resource Management; AT&T Cybersecurity; and Identity Theft Resource Center

*Underwritten by AIG

