

30th Alaska State Legislature

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Joint Armed Services Committee



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SB 93 Security Freeze for Protected Consumers

Sponsor Statement

Two years ago legislation was enacted to allow for a security freeze for a minor, but the process by which this was to be initiated by a credit reporting firm was not established in statute.

SB 93 expands the process to not only minors up to the age of 16, but to incapacitated persons with legal representatives. The bill puts in place requirements for identification of both the protected consumer and the parent or legal representative and proof of authority for the legal representative.

Most protected consumers do not have a credit report to freeze, so SB 93 allows consumer reporting agencies to create a credit record to freeze.

1.3 million kids have their identity stolen annually. 50% of these children are under 6 years of age. A child's identity is 50 times more likely to be stolen than an adult's identity.

The primary purpose of a credit report for adults is prevent lending institutions, businesses, and credit card companies from providing credit for a bad risk. A freeze is placed on the credit record when there has been identity theft that impacts a good credit report.

The primary purpose of establishing a credit report for a minor or incapacitated person is to protect that person's identity from identity theft. A child's social security number is considered "pristine" because there is no reason for their parents to check their credit record when they have no financial transactions to show up on a credit report.

Thieves obtain the social security numbers by stealing mothers' purses containing SS cards or gaining to pediatrician's offices or school records.

SB 93 provides a process by which minors and incapacitate persons can be protected from identity theft. Twenty-six other states have similar statutes for protected consumers.