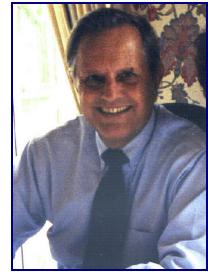


# from *Chuck's Desk*

Affordable Business Services Inc.

[www.affordabl.com](http://www.affordabl.com)

## In This Issue

- A Tale of a Stolen Wallet
- Thoughts on the Medicare Prescription Drug Coverage

## Volume 7 No. 4

### *"from Chuck's Desk"*

is published periodically during the year by  
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I welcome any comments or suggestions you may have. Please call or e-mail me at your convenience.

**If you do not wish to receive my newsletter, please let me know by e-mail or telephone and I shall remove your name from our mailing list promptly.**

*Chuck Donovan*

## A Tale of a Stolen Wallet

***A lawyer told me he had his pocket picked in October and lost his wallet.***

Very embarrassed, he said the theft occurred in a Wal-Mart store. His wallet was in a side pocket of his pants when he went into the store to buy toothpaste. He was not paying attention to his surroundings or the people around him as he got the toothpaste and checked out. He could not say where within the store the theft took place.



The thief used his information to order an expensive monthly cell phone package, apply for a VISA credit card, buy a computer, and get a PIN number from the Department of Motor Vehicles to change his driver's record information. ***This was all done within days of his wallet being taken.***

He mentioned that ***for nearly a week he was very distraught and could not think straight as a result of the loss.*** Then his business associates suggested he talk to the police and the credit agencies. Following their suggestions, he did and ***was able to straighten out his personal affairs.*** It limited his damage, ***but took over two weeks.***

***I asked him if he had a blank check in his wallet.*** He said he did not.

***He is now very protective of everything he carries on his person,*** in particular his wallet and personal items. He keeps information with him at all times on what to do, should it happen again or to someone he knows.

We discussed what someone should do before and after such a theft and the information available to a thief on checks and credit cards. ***Here is the result of our conversation.***

## Copy Everything in Your Wallet

***You must know what is in your wallet.***

***Photocopy the entire contents*** doing both sides of each license, each credit card, social security cards, and other documents in it. These copies should be kept in a safe place. They will tell you what is in the wallet and show the account numbers and telephone numbers of the credit cards and other vital documents. He had this information in his office.

The key to canceling your credit cards immediately is having the toll free telephone numbers and the credit card numbers handy when you notify the companies.



**Affordable Business Services** provides a complete range of tax, accounting, and consulting services to individuals and businesses at affordable fees.

Chuck Donovan started the firm in 1993 with a single principle in mind – to provide quality financial services that meet and suit his clients’ needs. He has built a successful operation by combining personal attention and expertise with quick, accurate, friendly service.

The company’s growth has been fueled by referrals from existing clients and peers. The hallmark of Affordable Business Services remains the individualized service that addresses his clients’ unique requirements small or large.

Chuck is a graduate of Dartmouth College and has a MBA in Accounting and Finance from American International College.

## Contact the Police

If you are unfortunate to have your wallet stolen, **file a police report immediately** in the jurisdiction where your wallet was stolen. This will prove to credit providers you are conscientious and this would be the first step in an investigation of the robbery.

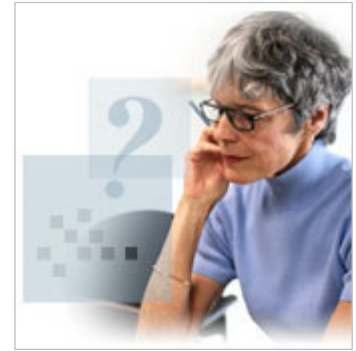
## Contact Credit Reporting Companies and Social Security

Then **immediately call the credit reporting agencies** (Equifax, Experian, and Trans Union) **and the Social Security Administration’s fraud line** regarding the theft.

Tell all of them to place a **fraud alert on your name and Social Security number**. The fraud alert alerts any company checking your credit that your information has been stolen and they must contact you by telephone to authorize any new credit.

### The telephone numbers are:

Equifax: 1-(800) 525-6285  
Experian: 1-(888) 397-3742  
Trans Union: 1-(800) 680-7289  
Social Security’s Fraud Line: 1-(800) 269-0271



## Thoughts on Checks

**The personal information available to a pickpocket is not just in your wallet. It is also on your checks and credit cards.**

Both of us have received **checks with too much information on them. This includes name, address, telephone number, social security number, and e-mail addresses**. Such data is extremely valuable to a pickpocket who also takes a check or your checkbook.

We talked about what could be done to **minimize the personal facts** available to a thief on a check and came up with the following:

- Put **only your initials or the initials of your first and middle names and your last name** on the checks rather than your full name. A thief will not know if you sign your checks with just your initials or your first name, but your bank will know how you sign them.
- Do **not put your home address** on your checks. It should either be omitted or another address such as a work one or post office box used instead.
- Do **not put your home telephone number** on your checks. It should either be omitted or another number such as a work one used.
- **Never have your social security number printed** on the checks.

TRUST  
YOUR  
INSTINCTS

When you order a new supply of checks, banks may routinely have most or all of the above personal information printed on the new ones. As a result, you must provide them with an old check marked up exactly as you wish as a sample of what the new ones will look like.

## Thoughts on Credit Cards

**Denying a thief the knowledge of how you sign your name extends also to credit cards.** Routinely we sign our names on the back of our credit cards. It is not a good idea because it provides him with this knowledge. It is better to either not sign your name or place a notation such as "photo ID required" on them.

When you pay your credit card accounts by check, **do not write the complete account number on the "Memo" line.** Instead enter only the last four digits. The credit card company will know the account number. This will deny anyone who handles your check as it passes through all the check processing channels from having access to your credit card account numbers.

### Conclusion

**Pickpocketing is one of the oldest, most widespread crimes in the world.** A skilled pickpocket can steal as much money as an armed robber without the danger of confrontation. By the time a victim realizes what has happened, the thief is gone. Because a weapon is not used, a pickpocket who is caught receives very little jail time.

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## Thoughts on the Medicare Prescription Drug Coverage

**Starting November 15, seniors can begin enrolling in the new Medicare Prescription Drug Coverage benefit. The enrollment period ends on May 15, 2006.** It is claimed that the average beneficiary will save \$700 a year with low income recipients saving as much as \$1,800 annually.

It is also claimed enrollees will get peace of mind. However, is that the case?

**It seems every insurance company and HMO in the country has a plan for the Medicare Prescription Drug Coverage.** Their proposals arrive in mailboxes daily **and no two are the same.** There are as many variations in plan features and premiums as there are providers offering the coverage.

Advice is everywhere. There are sixteen million results on Google for Medicare Prescription Drug Coverage ranging from Medicare to every private company offering the coverage. Countless salespeople are soliciting the business. It is clearly something a person should not jump into without carefully evaluating his own situation.

Even the most well informed senior can be confused, so what can a person do to weigh the choices and make a smart decision. **Here are five thoughts to help you cut through the confusion.**



### Number 1: Take Your Time

You may give up some savings by waiting a few months to enroll. However, by taking the extra time **you will able to evaluate the many options more careful and make a more informed choice.** In addition, it is anticipated there will initial "bugs" in the coverage that will have to be fixed. Taking your time will help you avoid the start up problems.

## **Number 2: Look at More Than the Premiums**

Monthly premiums are estimated to average around \$32.00. The insurance companies and HMOs must meet a minimum overall value standard in offering the coverage. If they do, they can structure the coverage and cost as they see fit.

*You will, therefore, see quite a bit of variation in costs and coverage from one company to another.* It could mean that a policy costing \$20.00 per month may not be as good as one costing \$60.00 a month, when you evaluate the respective coverages. For example, \$60.00 policy may have lower co-pays, more covered medications, smaller deductibles, and more participating pharmacies than the \$20.00 one.

## **Number 3: Understand How the Coverage Compares to Your Current One**



Many seniors have currently some type of prescription drug coverage through a HMO or health care benefits provided by an employer or former employer.

*You need to know if your current prescription drug coverage benefits are as good as or better than the standard Medicare drug coverage.* Your insurer or plan sponsor is required to tell you whether it is or provides less coverage. If the current coverage is better, you will want to stay with the current one.

## **Number 4: Know Your Prescriptions**

*You need to make a list of all the prescription drugs you take regularly or may need to take and their dosage.* You should also know what are the generics or other alternatives that are available for them.

Each insurance company will have a list of drugs covered under its plan. Some may require the purchase of a lower cost generic drug first. You would be able to get the more expensive drug only when the lower cost one is not effective.

*Not all plans will offer all drugs.* The list of drugs covered will vary from insurance company to insurance company, but each company is required to cover at least two drugs in each class. They may not be the drugs you take normally.



## **Number 5: Be Prepared For Changes**

An initial concern about the Medicare Prescription Drug Coverage was that very few insurance companies would participate. It has not been the case. All states have at least eleven insurers offering the coverage, New York over forty, and California over sixty.

With so many participating there will certainly be some who will decide in the future to drop out of the business. Others will make changes in their coverage from year to year. You should, therefore, be prepared to have to make changes in the future.

## **Conclusion**

*For those seniors who are in good health, take few drugs, and have the financial resources to pay for their drugs the best course may be to continue as they are now. There will be another opportunity to enroll from November 15 through December 31, 2006.*