

Cyber Fraud & Employee Theft-Part One:

If you think it can't happen to you, think again.

*"Experts place the annual value of computer crime at anywhere from \$550 million to \$5 billion a year."
White-Collar Crime-Computer Crime*

www.libraryindex.com/pages/491/White-Collar-Crime-Computer-Crime

With the growing number of cyber fraud attacks and employee thefts every year, we thought it would be beneficial to inform you about critical issues that put agents and underwriters alike at risk.

Cyber fraud and employee theft cost businesses billions in losses every year. In some cases, agents and underwriters don't fully recover from the substantial financial loss and quickly go out of business. It's catastrophic and can happen overnight.

Please take some time to think about whether or not you have adequate protections in place should you experience a cyber fraud attack or employee theft. Do you have cyber fraud insurance and a fidelity bond? If so, is the coverage adequate? Do you have adequate internal controls regarding the receipt and disbursement of funds? Do you perform daily reconciliations of your trust account?

This is the first part of an ongoing series to provide you information regarding real threats in our industry. In the weeks to come, we will cover many topics regarding cyber fraud and employee theft, but more importantly we want to provide you useful tools and resources you can utilize to protect your business.

In addition, we encourage you to rethink the way you do business. We hope to encourage open discussions about eliminating risk factors that threaten our livelihood and the changes gradually transforming the landscape in the title insurance industry.

As we begin, do you have the following tools, resources and procedures in place?

_____ Cyber Fraud Insurance

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_____ Fidelity Bond

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_____ Dual control authorizations for initiation of all wire transactions

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_____ Daily three-way trust account reconciliations

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_____ Up to date anti-virus and firewall software

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_____ Dedicated computer used only for all online banking transactions

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_____ Restrictive administrative use of banking technology including remote deposits and key tokens for initiating wires or other online banking functions

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_____ Written instructions to your bank to prohibit all international wires on all your accounts

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- _____ Positive Pay
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- _____ Management oversight
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- _____ Segregation of duties
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- _____ Company Anti-fraud Plan including a Fraud Risk Analysis
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- _____ Company Employee Anti-fraud Education and Awareness program
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