



# PRESIDENT'S PAGE

## Fraud: A Shared Problem Needs a Shared Solution

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Over the past few years, we have seen a dramatic increase in fraudulent activity targeting the life insurance and retirement sectors. Today, according to Threatmetrix, cyberattacks have grown 81 percent year-over-year with mobile transaction hacks increasing 211 percent. A similar study by Accenture suggests that cyberattacks within the financial services sector have tripled in the past 5 years, costing the average company close to \$20 million a year.

Consumers are rightfully becoming much more concerned about fraud in our industry. According to research from our Secure Retirement Institute, one quarter of consumers have been a victim of financial fraud in their lives — 13 percent within the past 2 years. More than half of consumers are worried that their life insurance and personal and employer-sponsored retirement savings accounts could be targeted.

There is some good news from our research. Would it surprise you to know that rather than blame their financial services company, three quarters of recent financial fraud victims trust their financial services company to protect them in the future? These individuals are so worried about becoming a victim again that 80 percent say they are willing to accept longer transaction times to protect themselves from fraud, and 72 percent would be willing to consolidate their retirement accounts.

I am encouraged that customers recognize that we will need to deploy different tactics to thwart fraudsters. And our research shows they want to know what we are doing. Nearly 7 in 10 consumers want financial services companies to tell them more about what they are doing to prevent financial fraud. This is especially true for retirement account holders. While your company may not want to share detailed information, providing high-level descriptions of your efforts may offer a valuable opportunity



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to reassure customers that they have a dedicated ally committed to protecting them from financial fraud.

The team at LL Global is extremely focused on helping our industry and our member companies combat the fraudsters. We have developed a four-pronged approach to help your teams stay ahead of the criminals:

- **FraudSource** — This microsite is a one-stop shop for research, webinars, events, and other resources. Members can sign up to get alerts when there are updates.
- **Research** — In addition to our in-depth studies about fraud, we have just launched FraudPulse, an ongoing series of brief polls about the challenges of financial fraud, uncovering what's on the minds of companies, financial advisors, and consumers.

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- **Training** — It is important that your front-line people understand how to detect fraud, and what to do if they suspect fraud. One of the fastest-growing types of financial fraud is elder financial abuse. Our Recognizing Financial Exploitation course complies with the most recent federal and state regulations and helps arm your client-facing professionals with the knowledge to protect our most vulnerable customers.
- **FraudShare** — In collaboration with our member companies, we have developed this monitoring platform that will allow companies to anonymously share details of fraud attempts so the criminal can't use the same tactics on another company.

The growing incidence of fraud in our industry is a problem for all of us. It undermines consumer trust

in our institutions, it undercuts our ability to focus on growth opportunities for our industry, and it damages our collective reputation with all of our stakeholders: consumers, policymakers, investors, and regulators.

LL Global is committed to working closely with all of our members to ensure that we help address all of these concerns, especially as the cyberattacks become more sophisticated. Our role is to educate our members about the evolving trends, bring together our collective knowledge to identify best practices, and develop solutions that help our members address these business challenges. We will be most successful in thwarting these attacks if we all work together. 🌐

**Editor's Note:** For more information on our programs, please visit [limra.com/fraudsource](http://limra.com/fraudsource) or contact your client service representative.

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