

Coronavirus (COVID-19)

The Impact on Fraudulent Activity

Fraud and cybersecurity experts have warned that professional criminals may intensify their attacks during times when the population is in a compromised, distracted, or vulnerable state. Without question, the all-consuming pandemic has been unprecedented in this regard. LIMRA research with financial services organizations examines whether this has been the case for them.

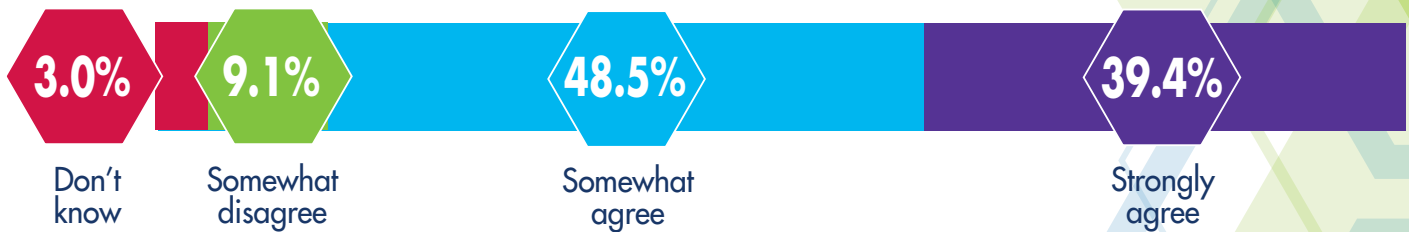
Increased Attempts

Within the last 30 days, **4 in 10** companies have seen an increase in:

- **Account takeover attacks** → **12%** had a coronavirus theme
- **Malicious emails** → **27%** had a coronavirus theme

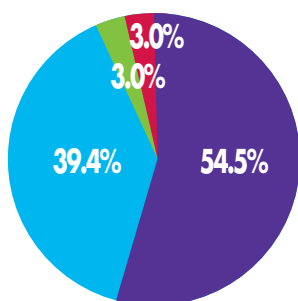
Planning and Education

The majority of companies are planning for increased fraudulent activity as a result of the crisis.

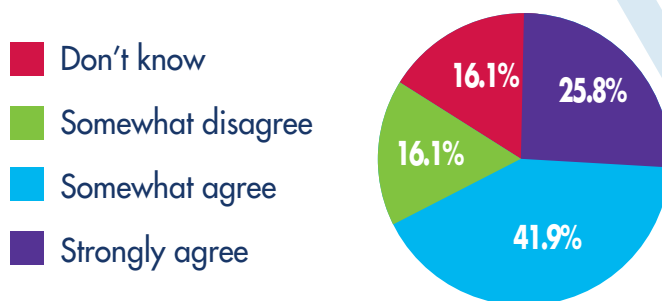


To prepare, most have taken additional measures to educate their teams on potential red flags:

Call Center and Back-Office Employees



Advisors and Field Staff



Risk Factor 1: The Reality of Virtual

Many companies believe the shift to remote working and other changes have increased their exposure to fraudulent activity.



Risk Factor 2: Different Controls

Almost **5 in 10** have relaxed controls or procedures to help expedite the processing of certain financial transactions.

3 in 10 companies have modified controls or procedures to take certain transaction requests over the phone that they previously did not.

What Coronavirus-Themed Attacks May Look Like:

- Social engineering in the contact center by individuals claiming they need a withdrawal or policy proceeds ASAP, so they can get a loved one, usually a child, home from a country such as Italy or Spain.
- Phone calls and emails stating they are with another carrier and are trying to process a transfer.
- Requesting disbursements after impersonating a policyowner and asking that the transactions be completed ASAP due to them testing positive for coronavirus.
- Impersonating senior executives under the guise of being related to COVID-19, and as urgent and confidential.
- Call center requests pushing to get an ACH versus a check because they're on "lockdown" due to coronavirus, or requests to use an email or phone number that is "easier for them to access from home".

Methodology

LIMRA surveyed more than 130 members with fraud prevention responsibilities from March 27, 2020 through April 1, 2020 to get a pulse on their experiences related to how their companies are responding to the coronavirus pandemic and its impact on their fraud operations.

LL Global, Inc.



www.limra.com



www.loma.org