

FRAUD Pulse

Advisor Perspectives on Client Account Takeover

Account takeover (ATO) occurs when an unrelated third party impersonates a client or advisor in order to access accounts or records for the purpose of stealing information and/or requesting disbursements. To gain the advisor perspective, in October 2019, LIMRA surveyed over 300 life insurance licensed advisors.

1 in 12 advisors have been a target of account takeover fraud.

1 in 9 have clients who have been a target of account takeover fraud.

Advisor experience provides insights into ATO prevention:



Strengths

74% indicate firms have increased controls in recent years to combat ATO.

83% apply additional authentication controls to email or text requests.

67% say firms provide advisors best practices on ATO prevention.



Weaknesses

55% indicate firms do not require ATO prevention training.

34% say ATO prevention measures add to the cost of doing business.



Opportunities

44% feel they do not receive enough support to prevent ATOs.

72% do not provide educational material to clients about how they can protect against an ATO.

68% say ATO prevention is an extremely or very important factor in deciding which firm to do business with.



Threats

45% wouldn't give up some client experience in order to provide enhanced ATO protections.

34% say their clients are not aware of the threat of ATO.