

# Social Engineering Fraud



## Smart business solutions that protect businesses

Social engineering refers to the intentional deception of an employee or business partner by a third party, seeking to receive or redirect a payment based on fraudulent written or verbal information communicated via phone, email, fax, or mail. Even the best managed businesses can experience theft or fraud, including those that use best practices in fraud protection and employee training.

Liberty Mutual Surety offers social engineering coverage in conjunction with employee dishonesty coverage. We work closely with independent agents and brokers to meet their customers' needs. Social engineering coverage pays for the loss of funds, which can include fraudulent transfers from banks to a person, entity, place, or account outside of your control. Limits are available up to \$500,000 with a 1 percent deductible.

### Tips to help mitigate your exposure

- Beware – Criminals will hack into real estate and/or title agents' email accounts to obtain the information needed to make a wire instruction change. Install the best firewall you can, but seek verification of any change, knowing hacking can still happen.
- Inform and train – Phishing attacks continue to escalate. Attackers can portray themselves as banks via electronic and voice correspondence that mimics legitimate communications. Ensure your staff is educated about how to identify a phishing email or phone call.
- Ensure software integrity – Hackers look for outdated software, which they can exploit.
- Plan ahead – Do not alter the method of transaction once it is in progress. Create an action plan ahead of time for such requests, which should be agreed to by all parties. Document that you verified the change request.



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