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OCTOBER 2024 NEWSLETTER

INDUSTRY NEWS, TIPS, TRICKS, & RESOURCES

The role of cyber coverage for your association

Cyber coverage is an important part of an association's insurance portfolio. It can protect an association from a loss resulting from a data compromise, cyber extortion, or business interruption.

Any association that stores personal information such as owner addresses, social security numbers, credit card information, or banking information is legally obligated to protect and secure that information. If a breach occurs that requires the association to notify unit owners and cover costs for credit monitoring, cyber liability insurance can cover these costs. It can also provide coverage in the event money is lost to cyber extortion (ransomware), as well as cover costs if operations are interrupted due to a cyber-attack.

One coverage that is frequently lumped in with the concept of cyber coverage is social engineering coverage. "Social engineering" is a term used to describe an attack using human interaction and deception to obtain sensitive information. The distinction from other kinds of fund transfer fraud is that social engineering leads to the voluntary transfer of funds from an association to an attacker rather than fraud arising from the hacking of computer systems or accounts.

For example, an association hires a contractor to make repairs to the roof. The contractor emails an invoice for \$45,000 to the association's management company for payment. Shortly after, an attacker who is impersonating the contractor uses a nearly identical email address and emails the management company an invoice. The new invoice states that payment should be sent to a different account and provides ACH information. Believing the attacker's email to be from the contractor, the management company sends \$45,000 using the provided ACH information. The funds are transferred to

the attacker's account instead of the contractor's account. A few weeks pass before anyone discovers that the contractor never received the funds.

The insurance industry has seen an increase in claims caused by attackers using this tactic to steal association funds. Twenty years ago these cases didn't exist. However, in the last four years we at ABI Insurance have seen a significant increase in this type of crime.

Sometimes associations assume all cyber policies include coverage for lost funds from attacks like this. However, while some cyber policies include coverage for social engineering, not all do. Without a policy that specifically covers social engineering (sometimes called cyber deception or a similar name), there is no insurance coverage for funds lost in this manner. For this reason, it is important to review your association's policy. Confirm social engineering coverage is included and that the limit is appropriate for the association's needs.

BOO! IT'S OCTOBER!

Halloween Safety

When Batman knocks on your door this year, ensure your home is a safe place for all trick-or-treaters.

- **Make a safe path.** Ensure the entrance to and around your home or unit is clear of debris and obstacles. Make walkways and sidewalks easy to navigate.
- **Shine a light on it.** Make sure the path to your home is also well-lit.
- **Store your vehicle in your garage, if possible.** Vandalism increases on Halloween. If you must park your car outside, park in a well-lit location. Make sure all doors are locked; the windows are rolled up, and engage the alarm if you have one.
- **Keep your pet safe.** If superheroes and goblins make your pet nervous, move your furry family member to a safe place.

Have a fun and safe Halloween!

Keeping your home secure

Nowadays, when it comes to home security, more options exist than ever. Here are a few tips.

Do-it-yourself options:

- Cameras can be placed nearly anywhere on the exterior of your home to be monitored from inside wirelessly — or set to record footage for review later.
- Lights and motion-detecting floodlights are an excellent deterrent to thieves. Make sure they're installed near entryways, and that they aren't easily reached from the ground. Using timers for interior lights is a good way to give the appearance that your home is occupied.
- Vibration alarms are available for windows, alerting you if someone is trying to get in. Similarly, other monitors can be installed near doors and programmed to sound if a person comes within a set distance.

Even without security equipment around your home, there are a number of things you can do to increase safety:

- Keep your home locked. It sounds simple, but you'd be surprised how many people leave windows or doors unlocked.
- Don't leave a key outside. If you need to provide access to your home while you're away, leave your key with a trusted neighbor or friend.
- Watch the landscaping. Shrubs and bushes around your porch or yard can give thieves a good place to hide. Keep them well-trimmed and ensure problematic areas are well lit.
- Use common sense. If you're going away on vacation, ask a neighbor to keep watch and collect any delivered packages, mail, or newspapers. Don't post your vacation plans publicly on social media.

A small investment in security can make a big difference!

Content provided by Safeco Insurance.



meet team member

Michelle Elliott

community association specialist

Where were you born?

I was born in Granada Hills, California and grew up in Chatsworth.

How did you come to ABI Insurance?

I joined ABI's Community Association Team in February 2021, the day before my birthday. I previously worked in personal and commercial lines for both State Farm Insurance and an independent broker.

Describe your role at ABI Insurance.

As a community association specialist, I've held various roles ranging from new business to renewals and even billing. Because I am knowledgeable in the submission process, I've also trained new team members.

What is your favorite food?

Mexican — the spicier, the better!

Tell us about your family.

I currently live with my husband, Duane. My two sons reside in Wisconsin with their wives, and I have one grandson.

Are you a dog or a cat person?

A dog person. When my boys were growing up in Minnesota and Wisconsin we had Golden Retrievers. Great, loyal dogs!



To learn more about Michelle visit <https://tinyurl.com/48uu8je7>



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