# **SOCIAL ENGINEERING TRAPS**and How to Avoid Them

JULY 1, 2025

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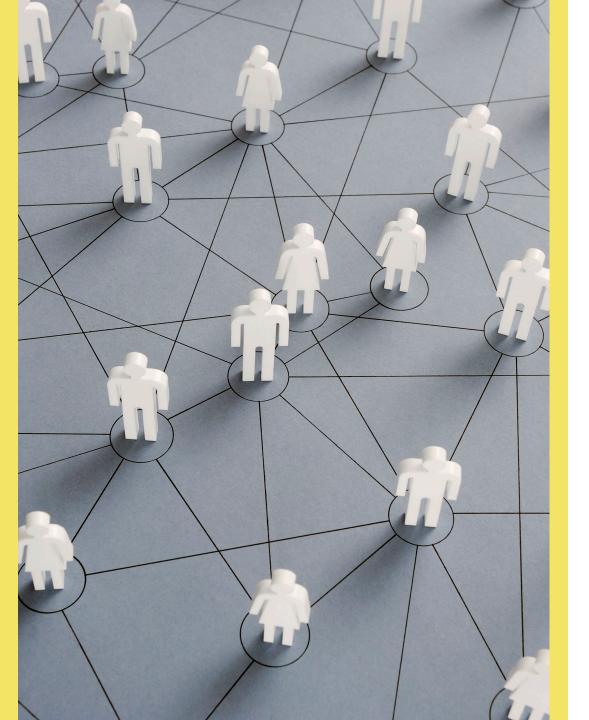
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Member Information and E-commerce Product Leader National Association of REALTORS®









# **TOPICS**

- Social engineering overview
- Insurance coverage
- Social engineering tactics
- Risk mitigation strategies
- Q & A



# WHY ARE WE HERE?

# Social engineering incidents against associations since 2021 ...

- Over \$1 million in losses
- Fake invoices
- Impersonation of association to a 3<sup>rd</sup> party service provider
- Email compromise leading to fraudulent transfers



# WHAT IS SOCIAL ENGINEERING?

Social engineering is a manipulation technique that exploits human error to gain private information, access, or valuables.



### WHERE IS THE RISK?

# Scammers use a variety of methods in social engineering schemes ...

- Phishing/vishing/smishing
- Business email compromise
- Deep fakes
- Baiting
- Honey traps



### WHERE IS THE RISK?



Human risk has surpassed technology gaps as the biggest cybersecurity challenge for organizations around the globe

Source: Minecast <u>State of Human Risk 2025</u>



### THREAT LEVEL

- Vishing attacks using persuasive social engineering techniques were up 442% between the first and second half of 2024
- Help desk social engineering attacks to gain entry into networks after "spam bombing" victim's email
- Deepfake video and voice clones enabled business email compromise (BEC) schemes
- Employees susceptible to social engineering are a key area of vulnerability exploited by scammers



### THREAT LEVEL

### **GENERATIVE ARTIFICIAL INTELLIGENCE (GenAI)**

- All major categories of adversaries nation-state,
   eCrime and hacktivists were early adopters of genAl
- Malicious use of genAl is growing, especially for social engineering
- Allows cybercriminals to increase the scale and pace of activities





Al-generated phishing
messages had a significantly
higher click-through rate
(54%) than likely humanwritten phishing messages



### **ARE WE COVERED?**

### NAR Institutes, Societies & Councils

- State and Local Chapters
- Subsidiaries

### State and Local REALTOR® Associations

- Charitable Foundations
- Political Committees
- Educational Endeavors

MLSs wholly-owned by two or more Associations



## **ARE WE COVERED?**



Errors and Omissions
– E&O



**Crime Loss** 





**Directors** & Officers – D&O



Cyber Liability, Media, Tech E&O



**Employment Practices Liability - EPL** 



**Patent Infringement** 



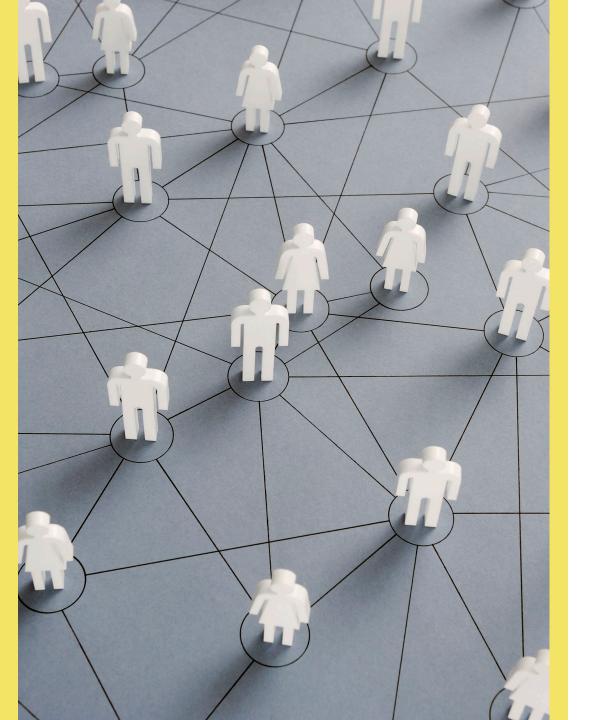
# **ARE WE COVERED?**



# SOCIAL ENGINEERING IS COVERED BY TWO POLICIES:

- Zurich policy has a \$25,000 limit with a \$10,000 deductible
- Arch Cyber policy has a \$250,000 limit/aggregate

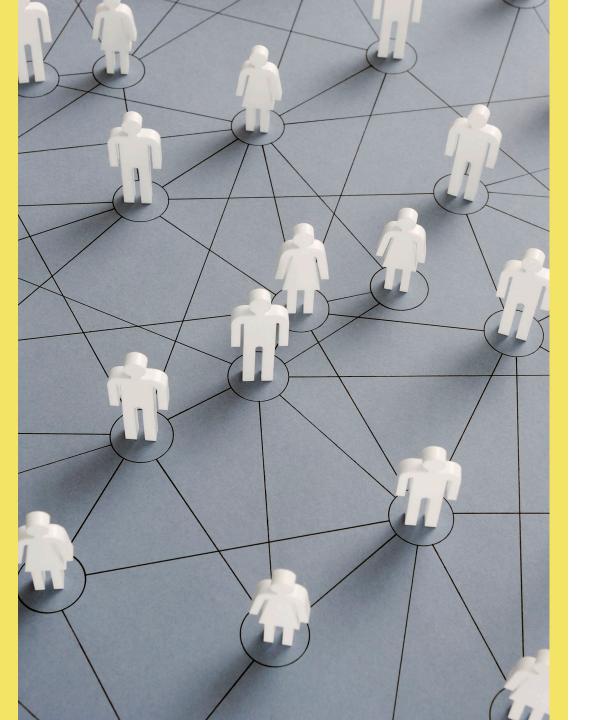




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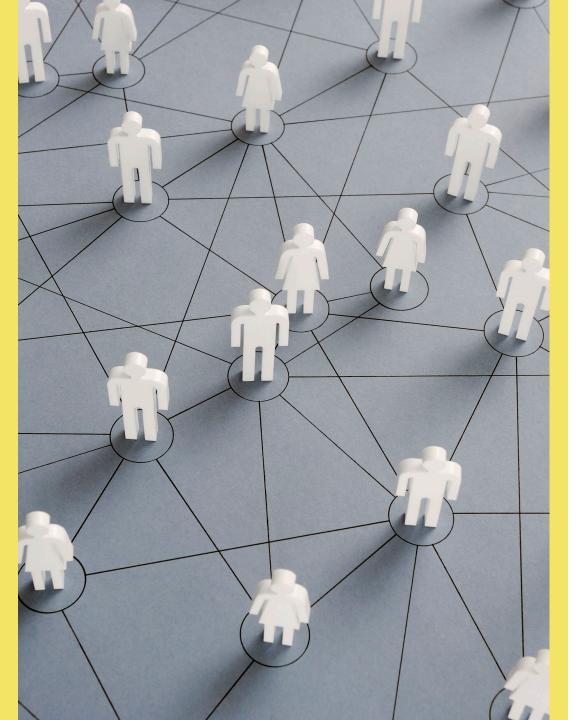




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# **RESOURCES**



#### **RESOURCES**

NAR Data Privacy and Security Toolkit

FBI Social Engineering Public Service Announcement

CISA: Avoiding Social Engineering and Phishing Attacks

FBI IC3 division

A list of all resources mentioned on this webinar will be posted with the recording.



### **QUARTERLY RISK REPORT**

# **Available at** nar.realtor/narinsurance-program

# NAR INSURANCE PROGRAM **QUARTERLY RISK REPORT**

### YEAR IN REVIEW

74 claims were filed on the NAR Insurance Program in calendar year 2024, not including more than 30 notices of circumstance filed with Chubb before the 2023-24 policy expired.

Employment issues topped the list of claims, followed by antitrust, and a tie between MLS issues and professional Standards for third place. Together, these claims comprised more than 60

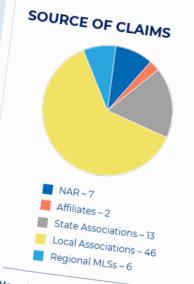
- 14 Employment 13 Antitrust
- Professional Standards
- Discrimination
- Cyber
- Governance 4 Crime Loss 7 Other

Check out NAR's resources in each of these top areas on the next page to help prevent future

### What is an extended reporting period?

An extended reporting period allows an insured to report claims for events that occurred while the policy was active, but that arise and are reported after the policy expires. For the expired Chubb policy, covered entities may file claims for actions arising from situations or decisions that occurred in or before 2024, or that were noticed to Chubb





## How do we report a claim with the new

If a covered entity is threatened with a lawsuit or has received a demand, it should immediately notify the applicable carrier. For assistance in determining which carrier should be notified, please email insurance@nar.realtor. Refer to the contact information for each carrier, and always include the policy number when reporting a



### **QUARTERLY WEBINARS**

# Available on nar.realtor/nar-insurance-program



January 23, 2025

Cyber Security &

Governance Controls



December 13, 2023

Conducting Internal Investigations



March 24, 2023
The Impact of DEI on Risk
Management



2025 NAR Insurance Program Overview



October 6, 2023

Financial Guardrails for Associations



December 8, 2022

Trending Employment Law Issues



March 11, 2024

Al: What Associations Need to Know Now



June 23, 2023 Antitrust for Associations



September 15, 2022

Cybersecurity: Risk & Opportunities for Associations



#### **MORE INFORMATION**

NAR INSURANCE PROGRAM

### nar.realtor/nar-insurance-program

**QUESTIONS?** 

insurance@nar.realtor



# THANK YOU.





