

## UNDERWRITING BULLETIN - TEXAS

No. 22

DATE: August 27, 2012

RE: Unauthorized Wire Transfer Instructions

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One of our agents in another state recently had their escrow/trust account illegally accessed by unknown persons from outside the United States. The agent's bank had failed to install a security patch intended to prevent hackers from accessing accounts and creating false wiring instructions.

WFG recommends that you consider advising your bank in writing to not accept wiring instructions from outside the United States regarding any of your accounts except upon your explicit, in-person acknowledgment and approval.

**You might consider implementing one or more of these protective measures:**

- Maintain one dedicated computer restricted to on-line banking activity. Do not allow this computer to be used for any purpose other than accessing your bank's on-line system.
- Place a block on all escrow accounts for international wires.
- Set dollar limits for all wires or set daily limits, depending on the size or volume of your agency.
- Always have a call back system in place to also include emails and text messages.
- Limit the personnel that can approve outgoing wires and ensure that a second person is to be notified by the bank.
- Change passwords regularly (30-90 days) and shut the computer down at the end of business each day.
- Discuss with your insurance carrier adding a cyber-theft endorsement to your existing fidelity policies, and possibly raise the liability limits.
- If possible, consider reconciling all outgoing and incoming wires daily.
- Discuss with your bank what type of fraud detection and protection procedures it has in place to confirm and monitor on-line activity. Also, discuss with them how you will be protected from possible losses should any funds be illegally diverted.
- If your bank is not cooperative and/or they do not have acceptable security, consider changing banks.
- Always treat these accounts as if they have already been compromised to assure that even if for some reason a cyber-thief got access to your password, they cannot still initiate any fund transfers.

WFG National Title Insurance Company values our business relationship with you and is constantly seeking new ways to help you ensure your success.

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