

Global Insights



Great for Criminals, Bad for You: Social Media and KRE (Kidnap, Ransom & Extortion)

We should all be aware by now how fast the Internet and social media is growing. To put this into perspective, there are currently over 3 billion active Internet users, 100 billion emails are delivered per day, and 10,000 tweets are sent every second. It should come as no surprise then that the Internet, due to its sheer size and potential for user anonymity, has become a breeding ground for criminal activity. In particular, social media has become quite the information resource, attracting opportunistic criminals from all walks of life.

Common attacks such as identity theft and credit card fraud remain prevalent, requiring little effort while

offering a worthwhile income for perpetrators who indiscriminately target a large number of potential victims, but as a result of the increased level of personal information made available on social media, we are seeing a rise in more sophisticated and targeted attacks against high-value individuals, such as business owners and directors.

With basic social engineering and intermediate computer skills, criminals can collect a dangerous amount of information on an individual's personal life, family and business practices. This exposes targeted individuals to a number of security risks, including:

Kidnapping for Ransom

An individual(s) is seized against their will and held hostage in order to coerce certain concessions. Kidnapping for ransom usually involves demands for the payment of a financial settlement (cash, goods and/or property) in order to release the hostage(s).

Tiger Kidnapping

A kidnapping is orchestrated in order to conduct another criminal act, typically a robbery. Perpetrators generally abduct an employee of a business and then force them to facilitate a robbery. Dependents of the victim are often held hostage until the robbery is complete.

Virtual Kidnapping

A ransom demand is made under the pretext of an individual having been kidnapped, however, no abduction is actually committed.

Extortion

The obtaining of property, including goods, money and/or favours or privileges by way of duress, be it actual/threatened force, or under pretence of official right. Perpetrators often threaten the release of confidential or potentially damaging personal information.

Cyber Extortion

The threat or act of denying access to, or the stealing or destroying of, data held on an electronic device unless a ransom is paid. Undesirable/illegal information may also be transferred onto the victim's computer.

To lower your risk it is recommended that you take steps to improve your online security and exercise caution when it comes to using social media – by understanding how social engineering works and by being aware of what information you have made available online. For more information on what measures you should take, you can call one of Honan's cyber and network security experts on 1800 981 377 or email info@honan.com.au

Commercial Drones & Emerging Risk

When you think Drone, or UAV (Unmanned Aerial Vehicle), you might be inclined to picture a military spy plane involved with some top secret operation hovering over a great desert, but it's time to ditch that view because commercial interests have already begun to shape and evolve how we use the technology. Over the next 10 years it is estimated spending will reach almost \$90 billion and that by 2020 there will be as many as 30,000 drones being used for business.

Although military applications still dominate the sector, drones are already being used for crop monitoring, border control, assisting emergency services, parcel / medical supply deliveries, wildlife protection, news production / film and entertainment, and research.

With these new applications, come emerging risks. In addition to legal and regulatory issues, there will be complications regarding coverage and liability, which will see brokers and insurers at the forefront of drone technology and its applications. Insurers are hard at work developing specific insurance products for commercial and private drone use – which will tackle safety and privacy concerns.

One thing is certain, drones are here to stay and the insurance industry will be closely linked to this expanding market. For more information regarding Drone technology and the risks it will present, you can speak to a professional insurance advisor at Honan by calling 1800 981377 or emailing info@honan.com.au

Singapore Ranked 7th for Innovation

The Global Innovation Index (GII) has ranked Singapore as a world leader at number 7, based on its innovation capabilities. The GI reports provide detailed metrics for over 140 economies, representing a total of 98.6% of the global GDP. Countries are ranked on a number of factors that determine innovation and contribute to a supporting environment for businesses.

According to the most recent GI report, Singapore's key strengths include:

- Royalty and license fees payments
- High and medium-high - tech manufacturing
- High tech exports less re-exports
- FDI net outflows (%GDP)
- Business sophistication
- Tertiary education

This is great news for us at Honan, and by extension our clients and global broking partners, as we are in the process of expanding the Honan Insurance Group (Asia) arm of our business, which is based in Singapore. For more information regarding Honan's acquisition of MACS Insurance Brokers you can view our media release on our website or alternatively you can contact our Singapore office and speak to one of our friendly advisors on +65 6323 3411.

Sources:

<https://www.lloyds.com/~media/files/news%20and%20insight/risk%20insight/2015/drones%20take%20flight20150820.pdf>
<http://www.riskandinsurance.com/rise-drones/>
www.red24.com ('Overshare: Social media and KRE' 09/09/2015)
<http://www.internetlivesstats.com/>
