



Future of fraud: AI named a major security concern among small business owners *Survey highlights importance of investing in cyber resilience*

September 25, 2024 (TORONTO) – Businesses aren't the only ones benefiting from the use of artificial intelligence (AI). Cyber criminals are using the same technology to carry out more sophisticated cyber attacks, and small business owners are taking notice. According to a new survey conducted by Insurance Bureau of Canada (IBC), two-thirds (65%) of surveyed small and medium-sized business owners and decision makers in Canada are concerned AI/new technology will make it harder to protect against cyber risks.

"AI has made cyber attacks easier to automate and harder to detect and can pose a real threat to the integrity and security of any business," said Mahan Azimi, Manager, Catastrophic Risk Policy, IBC. "With AI applications and new technology becoming more numerous and widely used by cyber criminals, there is a growing need for business owners to improve their cyber resilience."

For example, AI applications such as ChatGPT have made it easier to create more convincing social engineering emails, while other new technologies are capable of adapting to cyber security defences in real time.

Despite this emerging risk, the survey results indicate that business owners' preparation and investment in cyber resilience is on a downward trend. In 2023, 69% of small to medium-sized business owners who responded to the survey said they are doing what they can to reduce their business's cyber risks. In 2024, that number fell to only 61%.

The survey also found:

- Nearly half (45%) of survey respondents believe there is a chance their business is currently vulnerable to a cyber attack or data breach, however, 62% do not consider cyber security a financial priority.
- Only 45% of survey respondents have implemented defenses against cyber attacks while only 31% percent increased their cybersecurity protocols in the last year.
- An even smaller number (18%) said they were insured against a cyber attack.

"As cyber criminals are quick to leverage AI and other new technologies, business owners need to stay one step ahead to safeguard their businesses, employees and their customers," added Azimi. "It doesn't need to be expensive or onerous. IBC has several free resources to help business owners better understand cyber risk and the steps business owners can take to improve their resilience. Becoming familiar with cyber insurance is also a crucial tool in managing your cyber risk."

IBC has been supporting businesses' efforts to increase their cyber resilience and understand risk mitigation measures, such as cyber insurance, through its annual [Cyber Savvy public education campaign](#).



As well, IBC has created a self-assessment tool for SME owners considering a [cyber insurance policy](#). This 10-question assessment can help business owners learn about the cyber security protocols and best practices that most cyber insurers look for when assessing risk. The assessment poses some of the questions that cyber insurers may ask during the application process.

The assessment and other resources for SME owners are available at [CyberSavvyCanada.ca](#).

About the Survey

These are findings of a survey conducted by the Insurance Bureau of Canada from August 2 to 9, 2024, among an online sample of 317 business owners or decision makers who are members of the Angus Reid Forum. Survey respondents were from companies with fewer than 500 employees. The survey was conducted in English and French. For comparison purposes only, a probability sample of this size would carry a margin of error of +/- 5.4%, 19 times out of 20.

About Insurance Bureau of Canada

Established in 1964, Insurance Bureau of Canada (IBC) is the national industry association representing Canada's private home, auto and business insurers. Its member companies make up the vast majority of Canada's highly competitive property and casualty (P&C) insurance market.

As the leading advocate for Canada's private P&C insurers, IBC collaborates with governments, regulators and stakeholders to support a competitive environment for the P&C insurance industry to continue to help protect Canadians from the risks of today and tomorrow.

IBC believes that Canadians value and deserve a responsive and resilient private P&C insurance industry that provides insurance solutions to both individuals and businesses.

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