

Cut through the web of insurance fraud with advanced analytics

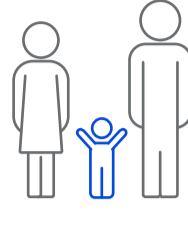


The costly rise of fraud



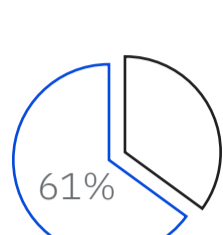
\$34 billion

The estimated cost of property and casualty fraud each year in the US alone¹



\$950 per family

The yearly cost of insurance fraud for each American family³



61%

The percentage of surveyed insurers that believe suspicious activity is increasing²



£3.6 million/day

Every day, insurers in the UK uncover 350 instances of insurance fraud worth £3.6 million⁴

Why is combating fraud getting harder?

- More fraud attempts
- Greater sophistication and complexity
- Limited in-house skills and resources
- Fixed budgets for anti-fraud solutions



What are your stumbling blocks?



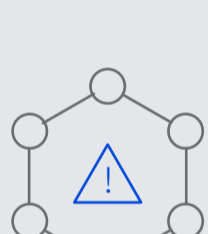
Relying on tips and adjuster intuition?

More than 39% of fraud investigations are triggered by tips.⁵ But tips and intuition are insufficient, especially as the volume and complexity of fraud grows.



Inability to capitalize on big data?

Many insurers lack the right tools to sift through and analyze the tremendous volume and variety of data available today.



Multiple, disconnected systems?

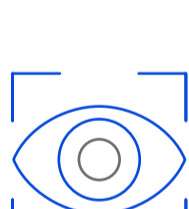
Integrating data from disparate internal and external sources is critical for making the connections that will help you detect and prevent fraud.



Limited automated detection?

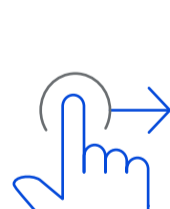
Basic red-flag capabilities alone are insufficient for detecting today's complex and emerging forms of fraud. To combat new threats, insurers must add more advanced, automated approaches to fraud detection.

IBM Financial Crimes Insight for Insurance can help you unravel the web of fraud



Detect

Score and rescore claims using rules and multiple analytical fraud models as part of the business process to detect potential fraud earlier and avoid pay-and-chase situations.



Respond

Apply deep insights to take the next best action for a claim. Differentiate legitimate actions from suspicious ones and respond immediately to criminal patterns and activities.



Investigate

Turn fraud intelligence into action. Perform and manage deep inquiries into suspicious activity to compile evidence and build cases.



Discover

Facilitate learning and enable continuous improvement in fraud detection by analyzing historical data, assessing patterns and building watch lists for potentially fraudulent individuals and organizations.

Learn more

Ready to learn more about IBM Financial Crimes Insight for Insurance? Visit: ibm.com/insurance-fraud



¹ This figure, an estimate of losses for each year between 2011 and 2015, is based on insurance industry estimates that fraud constitutes 10 percent of the property/casualty insurance industry's incurred losses and loss adjustment expenses each year. "Background on: Insurance fraud," Insurance Information Institute, http://www.iii.org/issue-update/insurance-fraud#_ftn1

² Metrics from the online survey of 86 insurers reported that 61% have seen increased activity, up from 51% in 2014. "The State of Insurance Fraud Technology 2016," Coalition Against Insurance Fraud, November 2016, http://www.insurancefraud.org/downloads/State_of_Insurance_Fraud_Technology2016.pdf

³ "Insurance fraud: the crime you pay for," Coalition Against Insurance Fraud, www.insurancefraud.org/fraud-backgrounder.htm#_vfrvoel5n8k

⁴ "You could not make up Savings honest customers insurers expose 3.6 million worth insurance frauds," Association of British Insurers, July 2015, www.abi.org.uk/News/News-releases/2015/07/You-could-not-make-up-Savings-honest-customers-insurers-expose-3-6-million-worth-insurance-frauds

⁵ "2016 Global Fraud Study," Report to the Nations on Occupational Fraud and Abuse, <https://www.acfe.com/rtn2016/about/executive-summary.aspx>