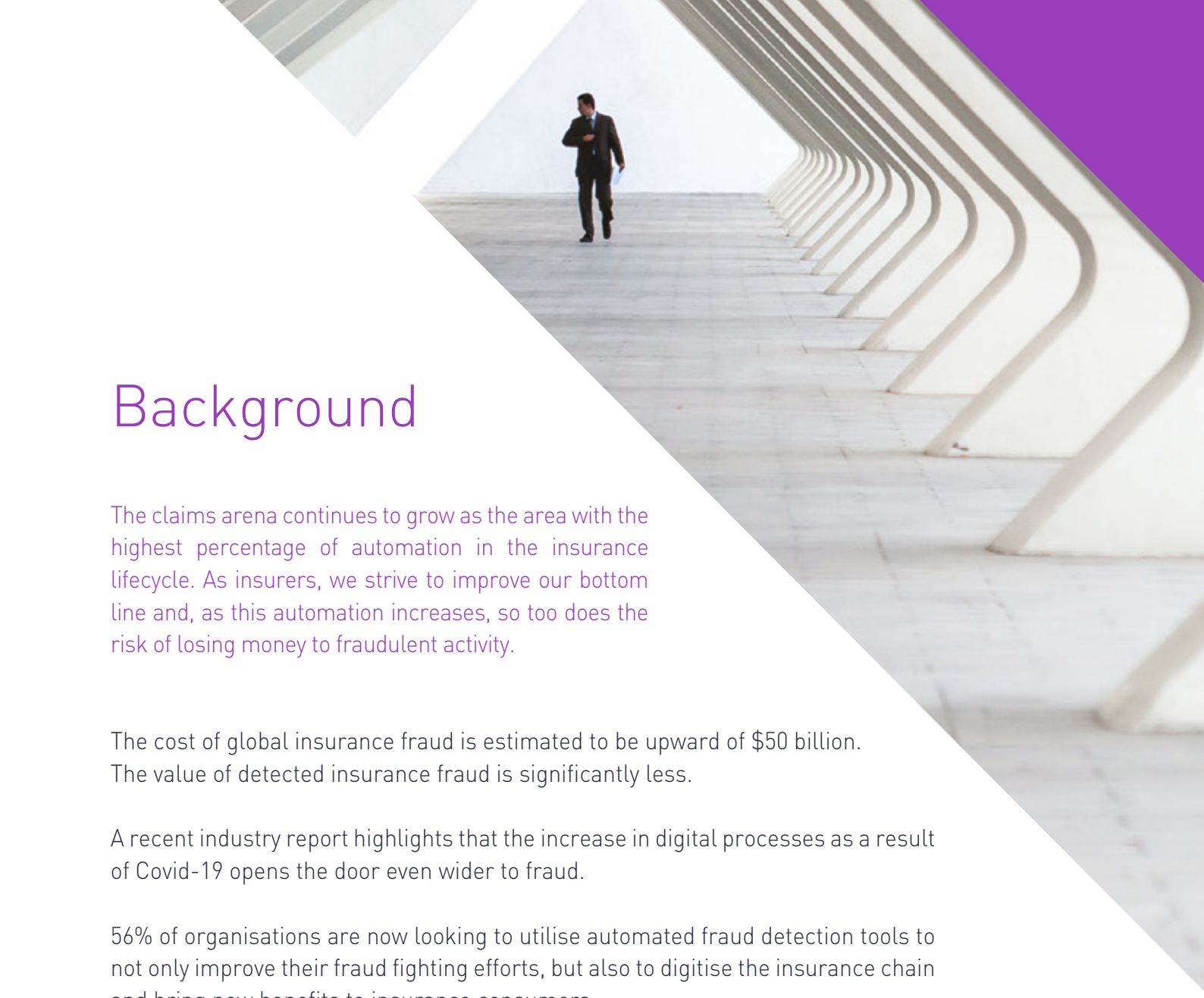
Charles Taylor InsureTech

# Automated Fraud Detection



# Background

The claims arena continues to grow as the area with the highest percentage of automation in the insurance lifecycle. As insurers, we strive to improve our bottom line and, as this automation increases, so too does the risk of losing money to fraudulent activity.

The cost of global insurance fraud is estimated to be upward of $50 billion. The value of detected insurance fraud is significantly less.

A recent industry report highlights that the increase in digital processes as a result of Covid-19 opens the door even wider to fraud.

56% of organisations are now looking to utilise automated fraud detection tools to not only improve their fraud fighting efforts, but also to digitise the insurance chain and bring new benefits to insurance consumers.

It is often difficult to estimate the true size of the current fraud losses that remain hidden in the manual process. In addition to this, sophisticated fraud detection often requires a large up-front investment in both monetary and effort terms, proving data and training AI. The result is that many proof of concepts are rejected. Doesn't make sense?

Detection is just half the story, once the technical detection is in place the problem shifts to investigation.

This makes the business case for large investment in AI fraud detection seem almost impossible. There must be an alternative? CT has invested in a partnership with Fraudkeeper to bring an automated fraud detection solution to the market.

# Triaging to optimise your claims process

## Technology impact by claims stage

**Fraud detection**

Loss prevention → FNOL → **Triage** → Claims handling/ Reserves → Resolution & settlement → Value-add MI

## Automated claims triage based on business rule

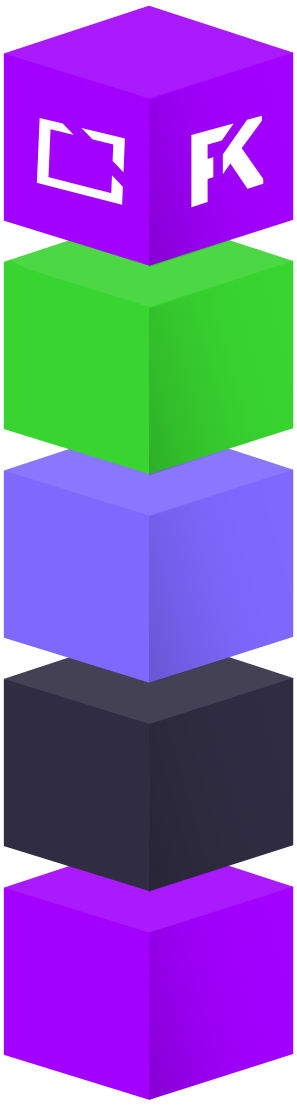
- Claims are automatically assessed and scored to provide claims handling teams with the fraud assessment statistics required to route them appropriately.
- Low complexity claims can be routed for straight-through payments.
- In order to continually improve fraud detection and lower the likelihood of fraud even further, our analytics platform recognises development patterns of a similar nature in historical claims and draws interactive visuals of the client relationships and history.

**Artificial intelligence**

**Workflow & business rules engine**

**Enrich & integrate data**

# Our platform



**Workflow**
Case follow-up, supporting documentation, closure and feedback. Every time you close a case, we learn!

**Machine learning**
Predictive models based on behaviours, patterns and anomalies. PNL: Text and image analysis. Train them with your data or use ours.

**Business rules**
+ 150 pre-set business rules ready to use and customise.

**Data**
Historical data; external bases; credit profiles; geolocalisation; social media; identity verification; claims; pictures; third-party APIs etc. You certainly have the data to get started.

**Integration**
Through APIs or batch (real time or offline). We integrate however you want!

# Specialist Investigation Services

**Our technology platforms help you to detect fraud, but what happens next?**

## Our services

At Charles Taylor, we have developed a comprehensive and strategic operational response to claims fraud and offer our clients full access to our range of investigation products and innovative technology.

Our toolkit includes the following key investigation services:

- Cyber investigations
- Global field investigations
- Global surveillance
- Video interviewing
- Social media background checks
- Financial background reports
- Open source data analysis
- Document validation
- Conversation management
- Forensic accountancy
- Alive & well checks
- Track & trace enquiries
- Medical record retrieval
- Analytical data analysis

**We also provide fraud and cost containment workshops, along with strategic guidance planning.**

Business areas:

- Property/ homeowners
- Financial lines
- Travel
- Casualty/ liability
- Workers compensation
- Third party administration
- Motor/ auto
- Commercial
- Fine art & specie
- Marine
- Aviation
- Natural resources
- Trade credit and political risks
- Mining & utilities
- Private health
- Life
- Legal services – pre litigation

Charles Taylor Technical Services

# Customer Story

## Customer challenge

- N° 1 insurer: 350,000 claims/year
- Working manually on each investigation (< 0.6% from the reported claims)
- Using analyst criteria for suspicious claims with a closing average time of 47 days for suspicious cases

## What we did

- In less than 3 months we implemented fraud detection and end-to-end monitoring
- We introduced new machine learning technology with self-algorithm models (on the client's data)
- We customised business rules (based on +100 FK pre-configured rules)
- We trained each team member in managing rules and cases

## Alternatives they explored

- Increase analyst headcount (senior staff)
- BRM implementation into their core
- ERP (extensive work for IT department)

## Quantitative business outcomes

- 100% of claim cases analysed in real-time +15% bottom-line savings directly from fraud cases detection
- Reduction in analysis average time, <30 days
- Feedback from every fraud case -> to learn and set up new rules and re-training on predictions from algorithms

# About Charles Taylor InsureTech

Charles Taylor InsureTech helps the global insurance industry achieve measurable success through simple evolution.

By simplifying your operations with technology solutions, you can achieve greater agility and quickly reduce inefficiencies; providing more time and more budget to define key differentiators and offer first-class experiences to customers.

For further information or to request a demo, please email **insuretech@charlestaylor.com**

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