

Fast forward on fighting insurance fraud

How small and midsize insurers can improve customer experience and cut costs

Insurance Fraud is on the Rise

Fraud is one of the insurance industry's biggest problems.

Insurance fraud steals at least \$80 billion every year from American consumers¹, with the FBI estimating that it costs the average U.S. family between \$400 and \$700 per year².

In Europe, detected and undetected fraud is estimated to cost European citizens €13 billion euros per year. In the United Kingdom, undetected fraud is estimated to more than €2 billion, followed by Belgium and Spain with about €0.5 billion³. Globally, between 3% and 4% of all claims are fraudulent, with the highest incidence (4.16%) in Asia Pacific⁴.

¹Source: <https://insurancefraud.org/fraud-stats/>

²Source: <https://www.iii.org/article/background-on-insurance-fraud>

³Source: <https://www.eutrafficlaw.com/topics/what-s-new-in-europe/insurance-fraud-in-europe/#:~:text=Detected%20and%20undetected%20fraud%20is,examination%20of%20a%20community%20problem>

⁴Source: RGA, Global Claims Fraud Survey (2017)

Outdated technology and limited data are leaving insurers exposed

Limited budget to invest in technology solutions, lower headcount to investigate alerts and outdated processes are leaving small and midsize insurers more vulnerable to fraud attacks than ever before. In addition, insurers need to deal with challenges such as harnessing internal data to feed analytics and too many false positives, which add friction to the customer journey and impact on business agility.

Our Approach

Reduce fraud by benefitting from a proven combination of machine learning, artificial intelligence, predictive analytics and social network analytics, with a ROI 9:1.

NetReveal Insurance Fraud

Preconfigured and packaged to suit the specific needs of small and midsize insurers, our solution prevents, detects and investigates fraud throughout the insurance lifecycle, minimising the impact on genuine claimants and streamlining the claims process.

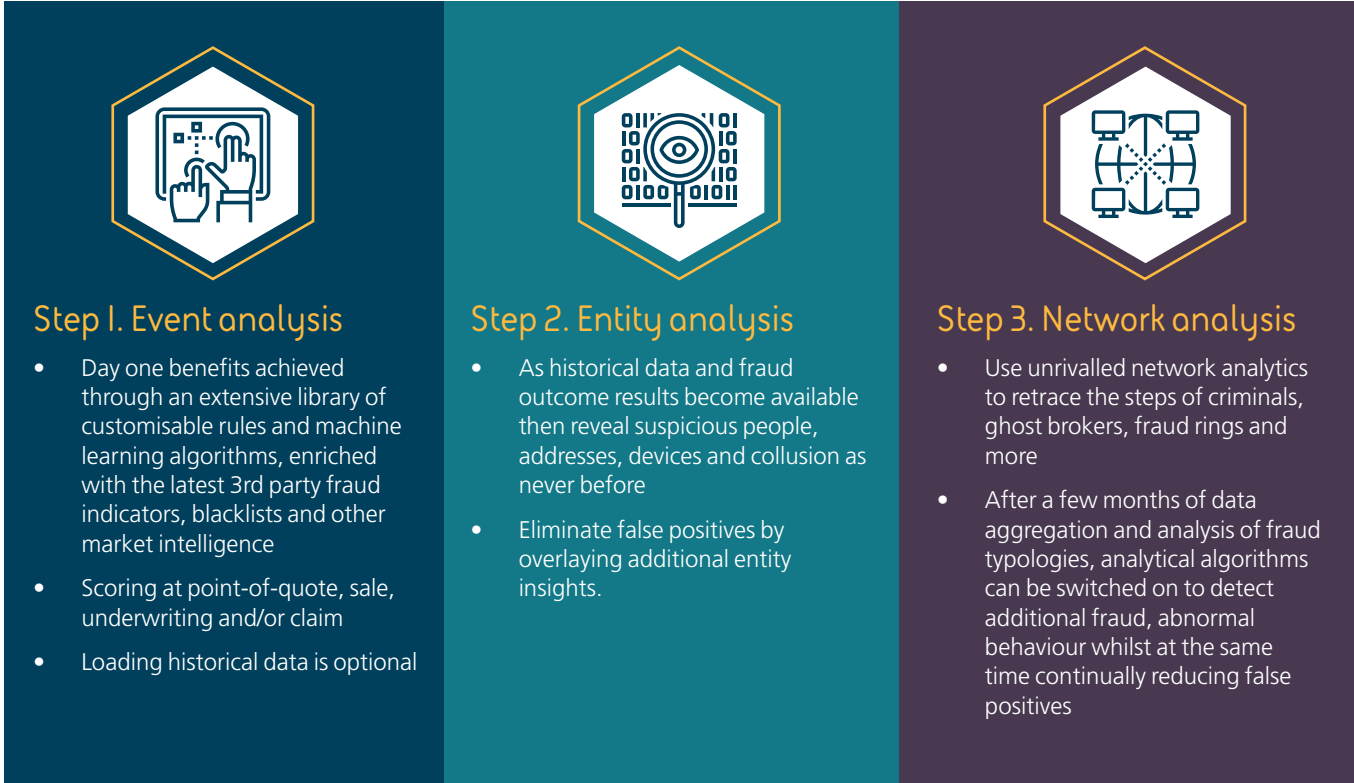
Delivering results from day one, our solution is available in the cloud within weeks and can scale to suit the size and quality of any insurer's data.

The NetReveal Insurance Fraud solution uncovers suspicious behaviour by:

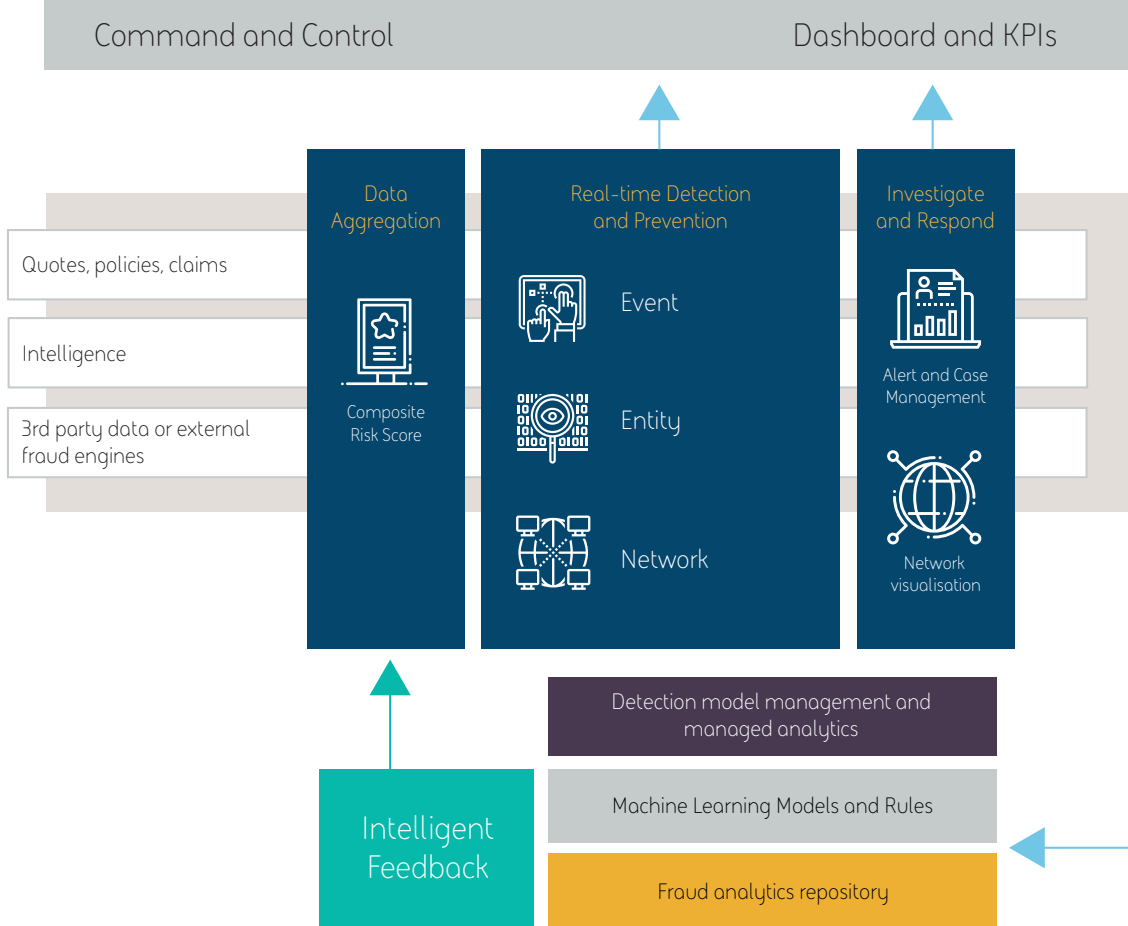
1. Identifying, linking and scoring people, places, events, businesses and other claim and policy attributes
2. Using machine learning and network analytics to reveal how they are connected
3. Integrating data from an insurer's portfolio — from all lines of business, as well as appropriate 3rd party data.

'NetReveal Insurance Fraud delivers results from day 1'

Our step-by-step approach to detecting fraud supports all stages of the insurance lifecycle resulting in improved fraud detection, higher operational efficiency and a better customer experience.



How NetReveal Insurance Fraud solution works



Why choose NetReveal Insurance Fraud

- The right tools at the right time. Our step-by-step approach to solution deployment supports insurers at all stages of the insurance lifecycle, while considering where they are on their journey and the size and quality of the data made available.
- Value from day one. Achieve value quickly through an extensive library of customisable rules and machine learning algorithms, enriched with the latest 3rd party fraud indicators, blacklists and other market intelligence.
- Capitalise on the full value of data. As historic data becomes available, false positives are reduced by overlaying additional entity insights, and our unrivalled network analytics help retrace the steps of criminal rings.
- Reduced cost of ownership and faster time-to-value. Deployment in the cloud within 12 weeks, with clear, transparent standard pricing.

Why choose NetReveal Insurance fraud?

- Up to 50% of fraud we identify is not detectable with traditional analytics tools
- Up to \$1m + actionable fraud found in first week of go-live
- We analyse and score over 1 billion insurance entities annually

Why choose BAE Systems?

- We protect over 100 insurance carriers and affiliates against fraud and financial crime
- We have over 20 years experience enabling insurers and consortiums the ability to detect and prevent fraud
- 15% of our revenue is invested every year in R&D

"...we have improved our fraud detection by 100%. We're therefore not passing on the cost of fraud to customers."

Head of Fraud Intelligence
Global Insurance Carrier

"BAE Systems is a leader in this space with a unique position to help carriers by virtue of its long experience of tackling data intelligence issues over the course of its existence."

Jay Sarzen, Senior Analyst with Aite Group's P&C Insurance practice

BAE SYSTEMS

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