

# Insurance Fraud Bureau

## Case Study

Utilises next generation counter-fraud analytics technology

### About the Insurance Fraud Bureau

The Insurance Fraud Bureau (IFB) was established in 2006 as the insurance industry's central hub for sharing organised fraud intelligence. Using advanced analytical software, the IFB identifies cross-industry fraud networks by analysing consolidated motor, property and liability data from sources including the Claims Underwriting Exchange (CUE). Prior to the inception of the IFB, insurers worked in isolation to detect and deter fraudsters – unable to identify suspect networks operating across the insurance industry.

### Upping the ante in the fight against fraud

The controlled sharing of insurance data is a critical weapon in the UK industry's ongoing fight against fraud. Since its inception in 2006, the IFB serves over 98% of the motor insurance market across the UK and has been instrumental in harnessing the power of consolidated industry data to target and disrupt fraudsters.

Run jointly by the IFB and the Association of British Insurers, the Insurance Fraud Register is now actively utilised by 62% of insurers and provides access to known fraudulent data, shared cross sector throughout the UK insurance industry.

By investing in the NetReveal software, the IFB has ensured that it remains at the cutting edge of analytical technology.

### Protecting the insurance industry through data sharing

The IFB collates and combines an extensive data pool consisting of over 130 million electronic records from multiple industry databases. The NetReveal Property and Casualty (P&C) Claims Fraud solution breaks this data down into its distinct entities (including individuals, vehicles, companies and addresses) and by applying advanced social network analysis, risk scoring and linking, provides the IFB with prioritised pre-built networks of risk incidents and entities.

From these, IFB analysts can investigate suspicious networks, policies or claims and provide details to alert those insurer customers affected by the suspicious network. By consolidating and analysing data from across the industry, the IFB is able to identify suspect patterns of activity that individual insurers alone would not be able to detect. Even incomplete data records can be used to make links as the data is broken down into its separate entities by the NetReveal solution.

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## Shaping the future

The flexibility and scalability of the NetReveal solution has allowed the IFB to remain at the cutting edge of counter-fraud technology. When the IFB celebrated its 10-year anniversary in 2016, the organisation renewed its relationship with BAE Systems into the next decade with a contract extension through 2020.

The IFB is able to streamline and handle more cases and also expand their array of services to all its customers, including counter-fraud services, custom analytics, a solution to counter policy fronting, application fraud and the provision of risk profiles. The software also allows the IFB to identify and analyse fraudulent activity across multiple product lines, as criminals develop new modus operandi to exploit opportunities that present themselves across the industry.

## Challenging times

The Association of British Insurers (ABI) estimates that undetected general insurance fraud claims are costing the UK industry an average of £2.1 billion per annum. Criminals are taking a more long term and systematic approach to making money, with insurers in particular being seen as low-risk, high return targets.

A key objective for the IFB was to agree a model for sharing data across the industry. Following a comprehensive review process during 2006, the IFB selected NetReveal to provide its technology infrastructure. The solution uses advanced social network analysis to detect and prevent fraud that traditional systems cannot.

## Making a genuine impact on insurance fraud

The IFB's enhanced analytical capabilities, underpinned by the NetReveal solution, have borne significant results, both in terms of identifying and deterring fraudulent activity and delivering bottom line savings to its insurer customers. As the insurance industry's central hub for gathering and sharing fraud intelligence, the IFB holds controlled intelligence sharing agreements with insurers, brokers, law enforcement agencies, public/private sector stakeholders and regulators.

Working alongside police forces, the IFB assists with enforcement action. Since its inception, the IFB has contributed to:

- 1,100+ arrests of suspected fraudsters
- 442 convictions and
- 397 years of custodial service

Public perceptions towards insurance fraud have also changed, thanks to the IFB's ongoing commitment to publicising high profile cases and highlighting the impact of insurance fraud on honest customers.

"The Insurance Fraud Bureau has used BAE Systems NetReveal technology for over a decade. The system is integral to the industry's ability to detect, investigate and bring to justice organised criminals, revealing the trends and patterns that they are deliberately trying to hide from us. By combining data and technology, we are able to identify the full extent of frauds and much earlier in the process."

**Ben Fletcher**

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