



SAS® FORUM
RUSSIA 2016

Welcome

Global best practice and customer cases in insurance antifraud

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GLOBAL INSURANCE CLAIMS FRAUD



GDV estimates that insurance fraud costs circa €4bn per annum



VvV (2013) estimate that fraud has increased 25% in last 5 years adding 150€ to a policy. Estimate that 10% of claims may be fraudulent



IFB estimates that undetected fraud = £2.1bn adding about £50 to average premium



ALFA estimate that fraud 15% of claims paid, or 4-8% of premiums collected equating to €2.5bn per annum



FFI 2014 survey - 19% said they knew a person “who has deceived his/her insurance company”.



Svensk Försäkring estimate that 5-10% of claims include fraud, which is between 2.5 and 5bn Kroner per annum



DIA estimates that it costs the honest insurer holder up to DKK 500 per year (2013)



Schweizerischer Versicherungsverband estimate that 10% of claims paid are fraudulent



SAICB estimate that insurance fraud inflates the cost of insurance by 15 to 20%



CAIF estimate \$80bn losses annually. III estimates \$32bn for P&C alone



IFBA estimates that insurance fraud costs more than \$2 billion annually



Malaysian government estimates insurance fraud to be RM1.74 billion. 30% of respondents to survey thought it was OK to pad claims

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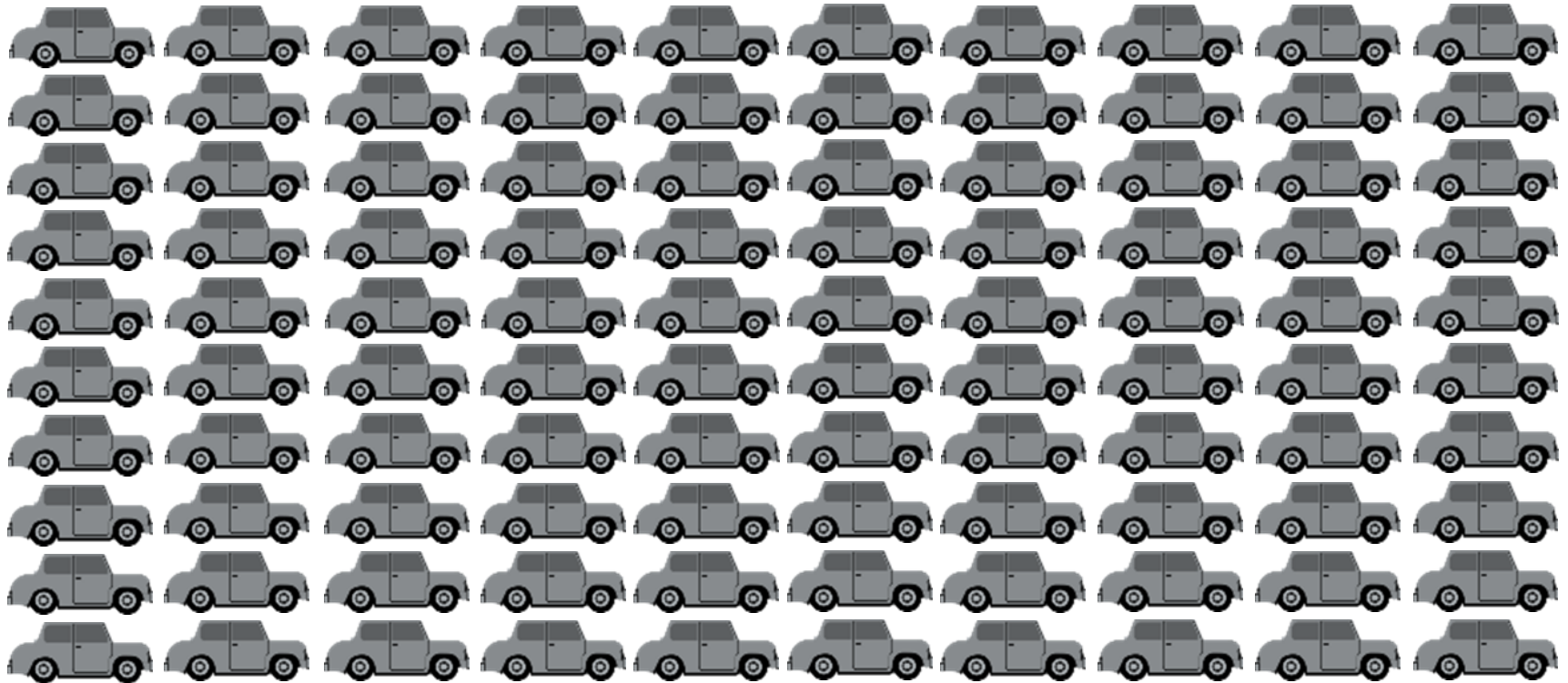
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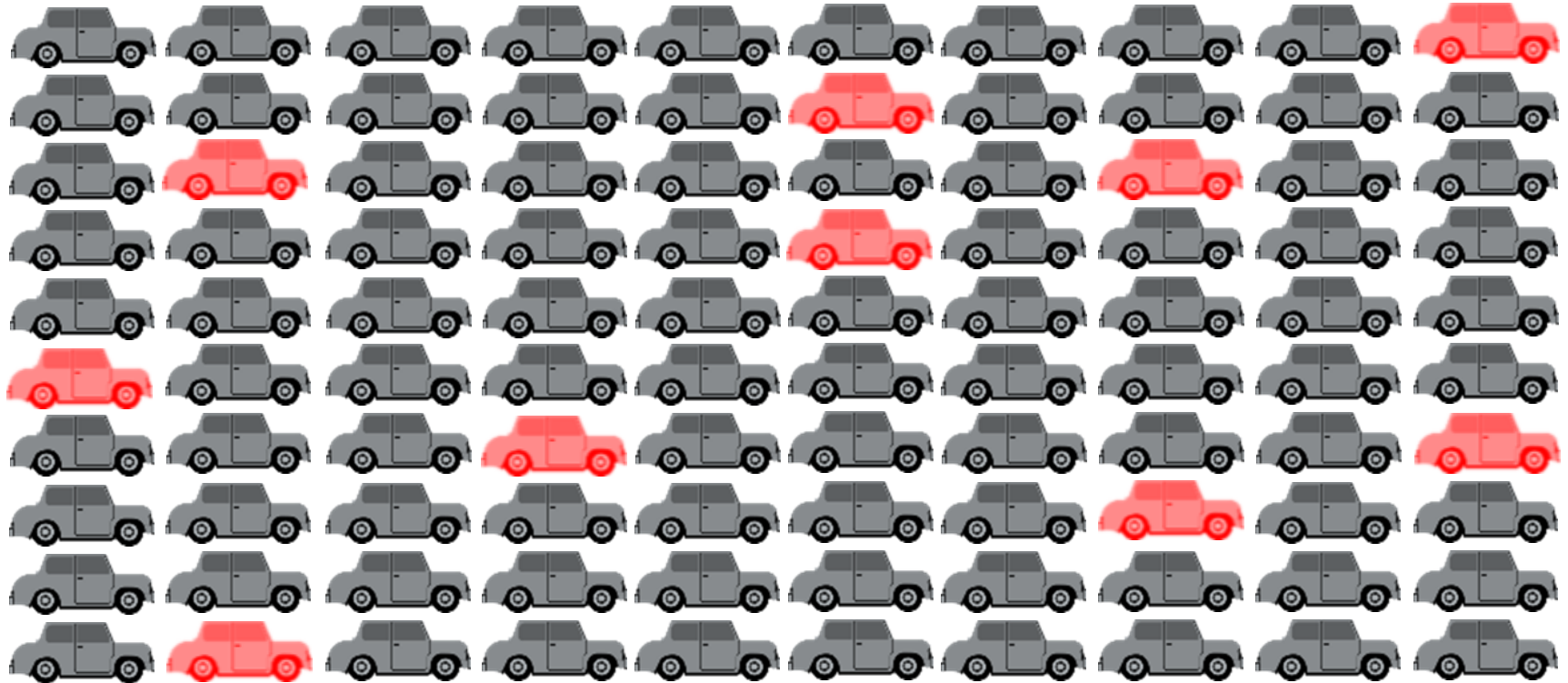
FINDING THE FRAUD

100 MOTOR CLAIMS



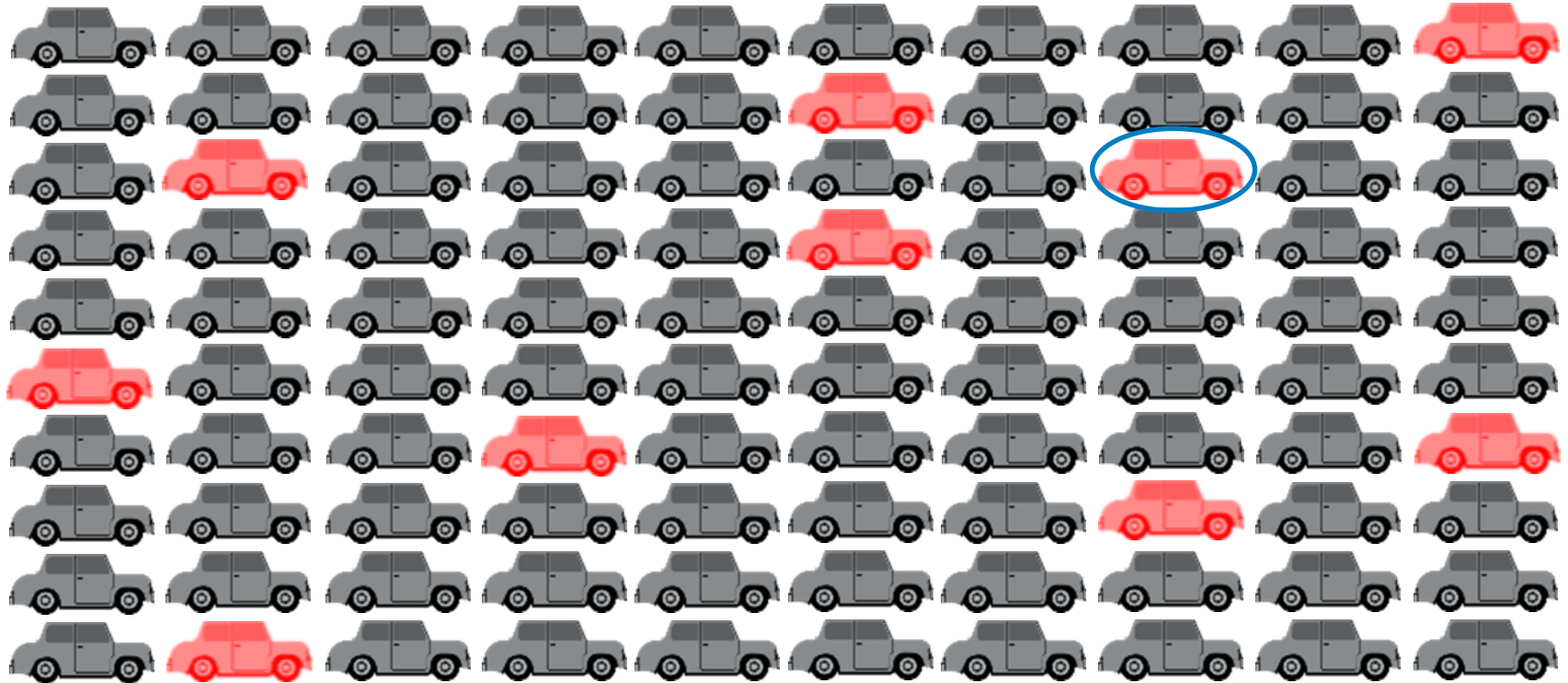
FINDING THE FRAUD

100 MOTOR CLAIMS – TODAY THERE MAY BE 10 POTENTIAL FRAUDS CASES



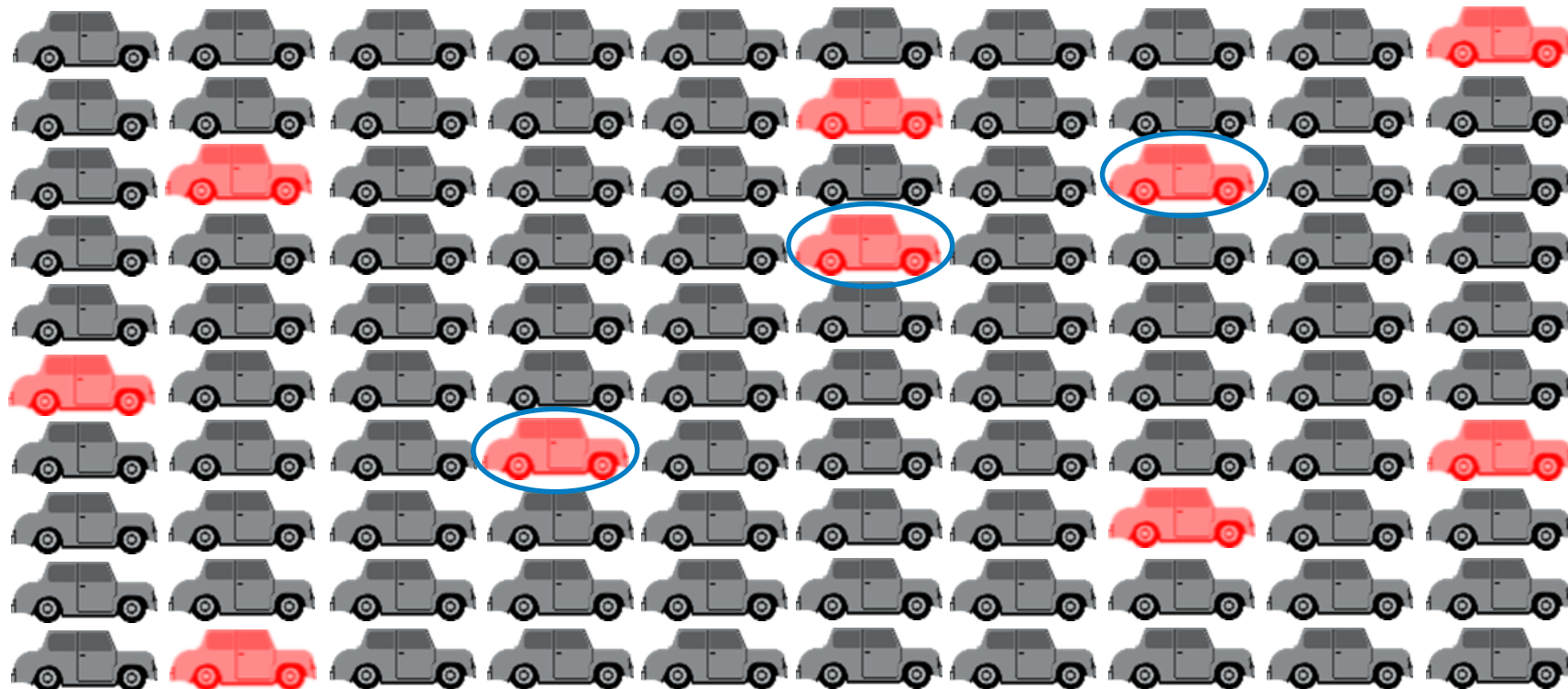
FINDING THE FRAUD

100 MOTOR CLAIMS – MOST INSURERS CAN TYPICALLY FIND BETWEEN 0.25 AND 1 WITHOUT ANALYTICS



FINDING THE FRAUD

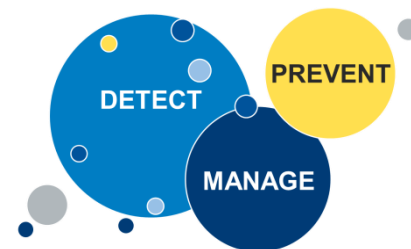
100 MOTOR CLAIMS – WE EXPECT TO FIND AN ADDITIONAL ONE TO TWO FRAUDS USING ANALYTICS



SAS FRAUD DETECTION & PREVENTION

SOLUTION FOR INSURANCE

- The Solution offers an end-to-end framework which:
 - decreases fraud losses - save up to 2% annual claims spend
 - increases efficiency in the claims handling process
- The Solution is enriched with industry knowledge from SAS' global insurance experience:
 - ✓ Single, integrated platform built on SAS
 - ✓ Full transactional, entity, product and network centric monitoring
 - ✓ Insurance specific solution – ‘white box’
 - ✓ Scalable to national level data volumes
 - ✓ Ability to work in real-time and in batch
 - ✓ Across different LOBs – personal & commercial
 - ✓ Motor
 - ✓ Property/Fire
 - ✓ Workers Compensation
 - ✓ Life
 - ✓ Medical
 - ✓ Disability



“Return of price was realized within first 5 months of its operation.”
Maya Mašková, Anti-Fraud Coordinator,
Allianz, Czech Republic

SAS FRAUD FRAMEWORK

INSURANCE SOLUTION CUSTOMERS



Plus others under Non-Disclosure Agreements



Ceska Pojistovna is

- Largest life and non-life insurer in Czech Republic
- Part of the Generali group

SAS Fraud Framework for Insurance

- Using on motor, property and life books of business
- 2014 saving estimated at **CZK 20m**

Benefits:

“By using SAS Fraud Management to analyse all new policies and detect suspicious new contracts, Česká pojišťovna has saved tens of millions in Czech crowns each year,” says Zdeněk Dragoon of the Fraud Detection Department .

“Additionally, we have been able to uncover cases of insurance fraud totalling 20 million Czech crowns (US\$820,000) annually that would have otherwise gone undetected.”



Alm Brand is

- 4th largest insurer in Denmark
- GWP of \$878m – 2013

SAS Fraud Framework for Insurance

- Using on motor & property books of business
- 2013 saving **\$5.6m** – 50% increase on previous activity before SFFI
- 2014 saving **\$8.5m**

“In order to protect the vast majority of our honest clients against the fraudulent practices of the few, we have introduced SAS® Fraud Framework. We always assume that all customers are honest – but at the same time, we know that we reveal fraud to the tune of more than EUR 5.3 million annually. We are more and more dependent on self-service to let our clients file their insurance claims at the time and place which suit them best. To make sure that we can still find the fraudsters even when people are filing claims online, we are dependent on strong processes and systems,”

Brian Wahl Olsen, Director of Claims.

2013 story [here.](#)

Thank You



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