

Fighting Claims Fraud: Putting it into Action

Milano, 24th October 2018
Motor Head at Seguros Catalana Occidente
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Overview

Grupo Catalana Occidente

Background

Why SAS

Outcomes

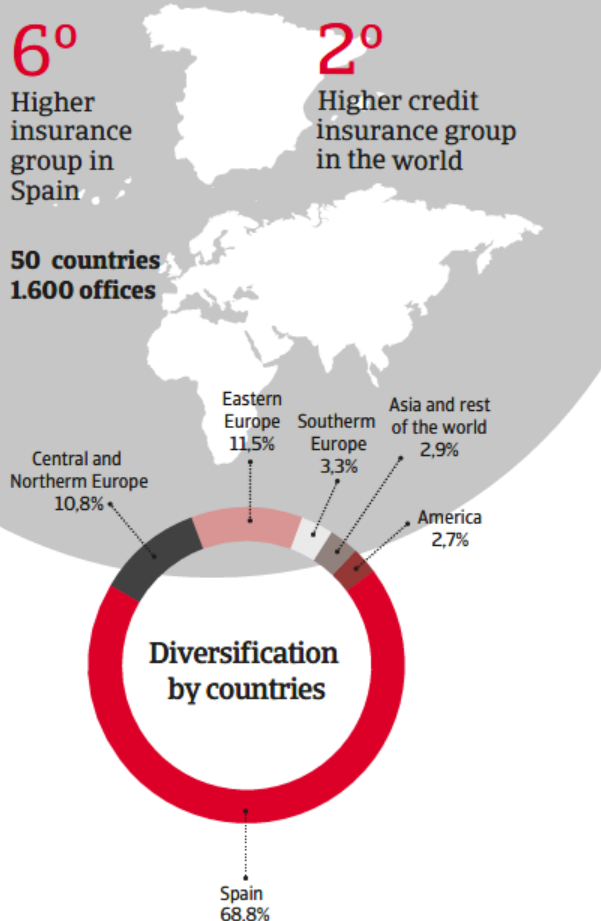
Our roadmap

Lessons learned

Grupo Catalana Occidente

Profitable growth, genuine insurers and social value

International dimension



Key financial figures

Turnover and business distribution

4.254,3M€ +0,4%

59,1% Traditional business
40,9% Credit insurance business

Combined ratio

91,4% Traditional business
75,2% Credit insurance business

Consolidated result

357,3M€ +10,1%

Shareholder remuneration

93,0M€ +7,2%

More than
4 millions
customers



More than
7.300
employees



More than
3.641 M€
transferred to society



Insurance specialist

- More than 150 years experience.
- Global offer.
- Sustainable and socially responsible model.



Strong financial structure

- Listed.
- Rating "A".
- Stable and committed shareholders.



Closeness - Global Presence

- More than 19,000 intermediaries.
- Over 7,300 employees.
- 1,600 offices.
- Fifty countries.



Technical rigour

- Excellent combined ratio - Non-Life
- Strict expenditure control.
- Diversified and well-advised investment portfolio.

Strategy overview

Stable & clear strategy



STRATEGIC PURPOSE

- To be leaders in risk protection and long-term insurance in the retail and SME market.
- To become global leaders in trade credit risk management.

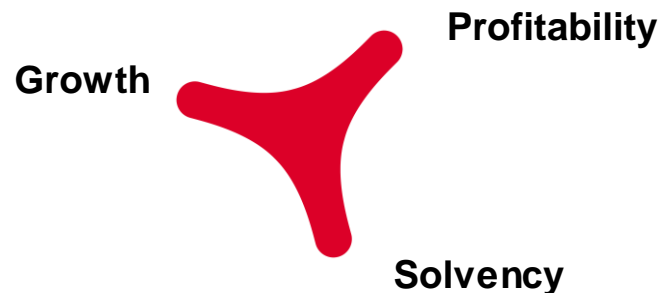


PRINCIPLES

- Ethical action towards stakeholders.

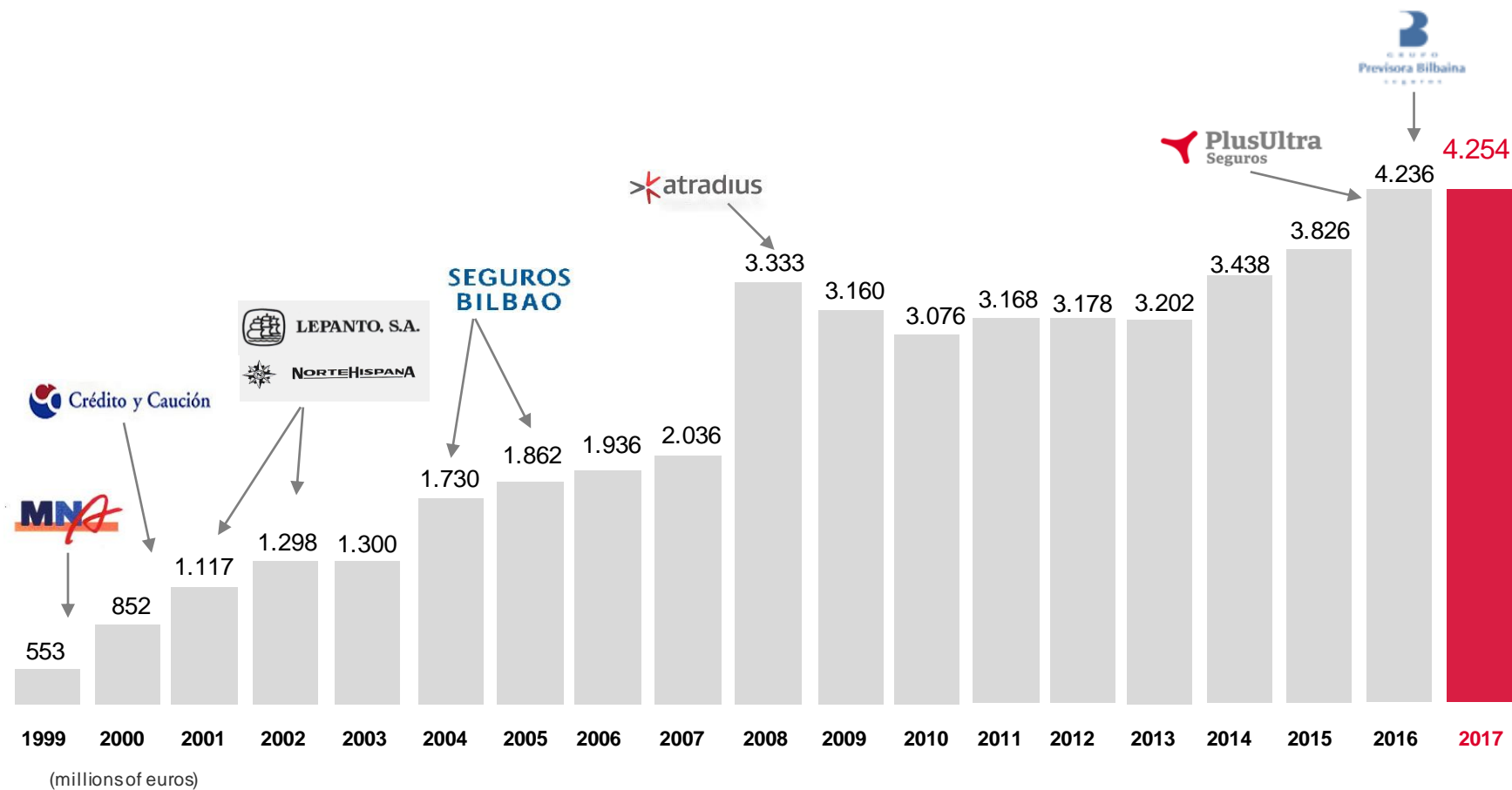


STRATEGIC PILLARS



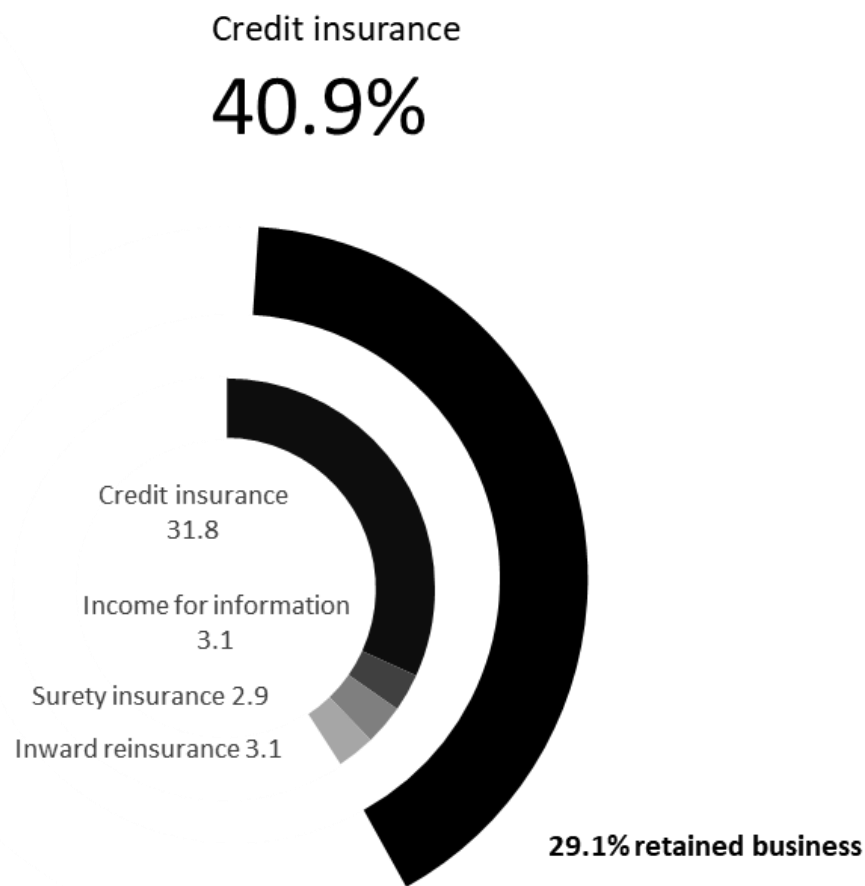
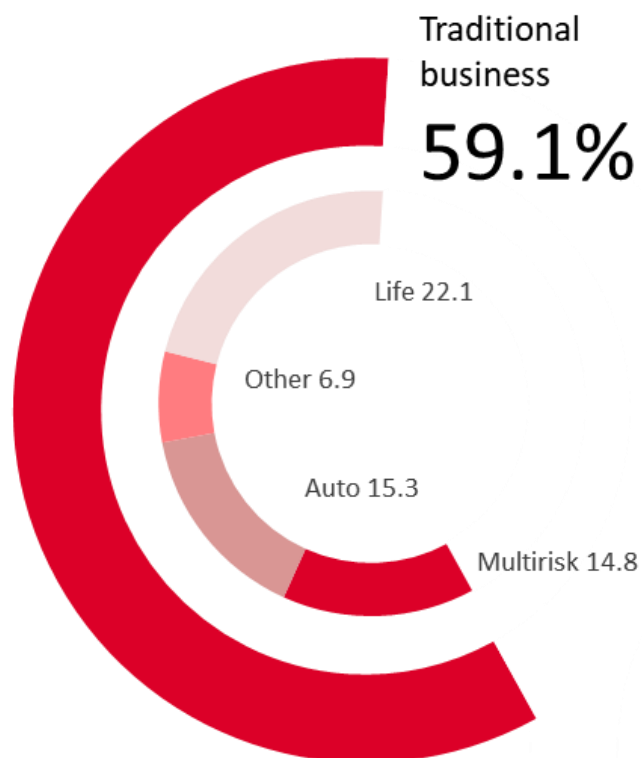
Growth

Turnover x 8



Diversification

Balanced portfolio, full product offer

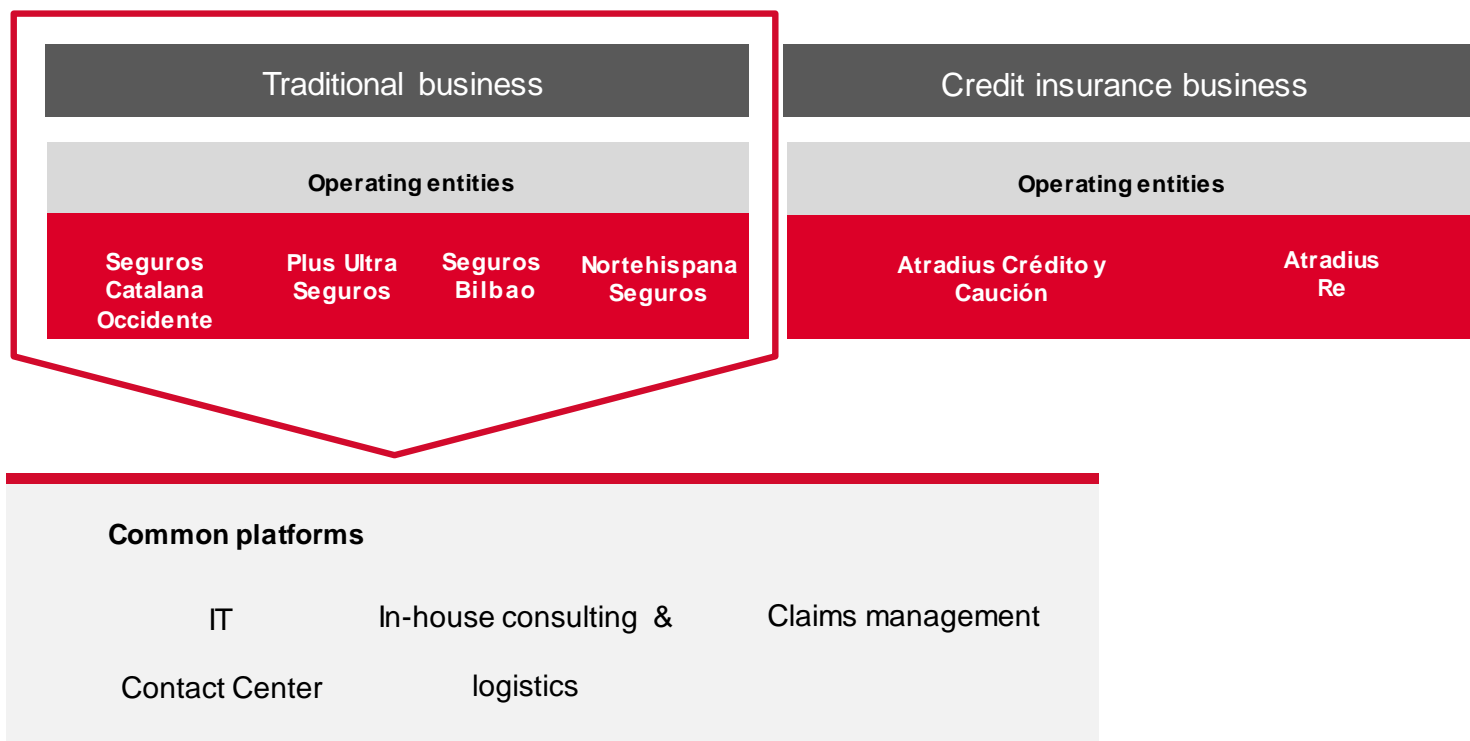


Consolidating the “Group”

Centralised common platforms



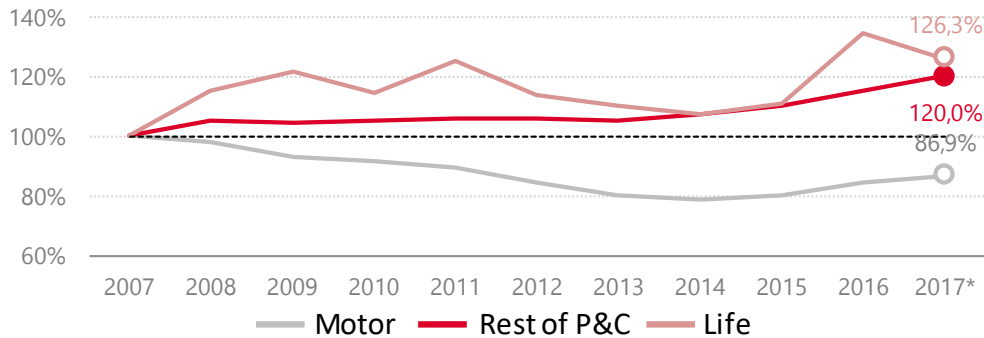
CORPORATE GOVERNANCE



Background

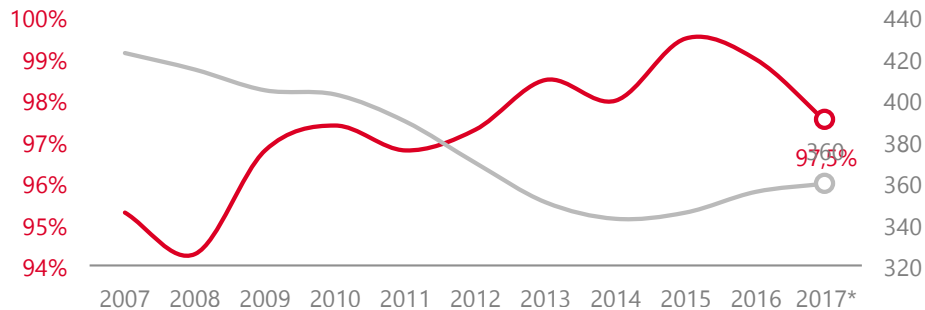
Insurance Market in Spain

Market Evolution vs 2007



- Auto LoB plummet during financial crisis (more than others LoB)

Average Premium vs % Combined Ratio

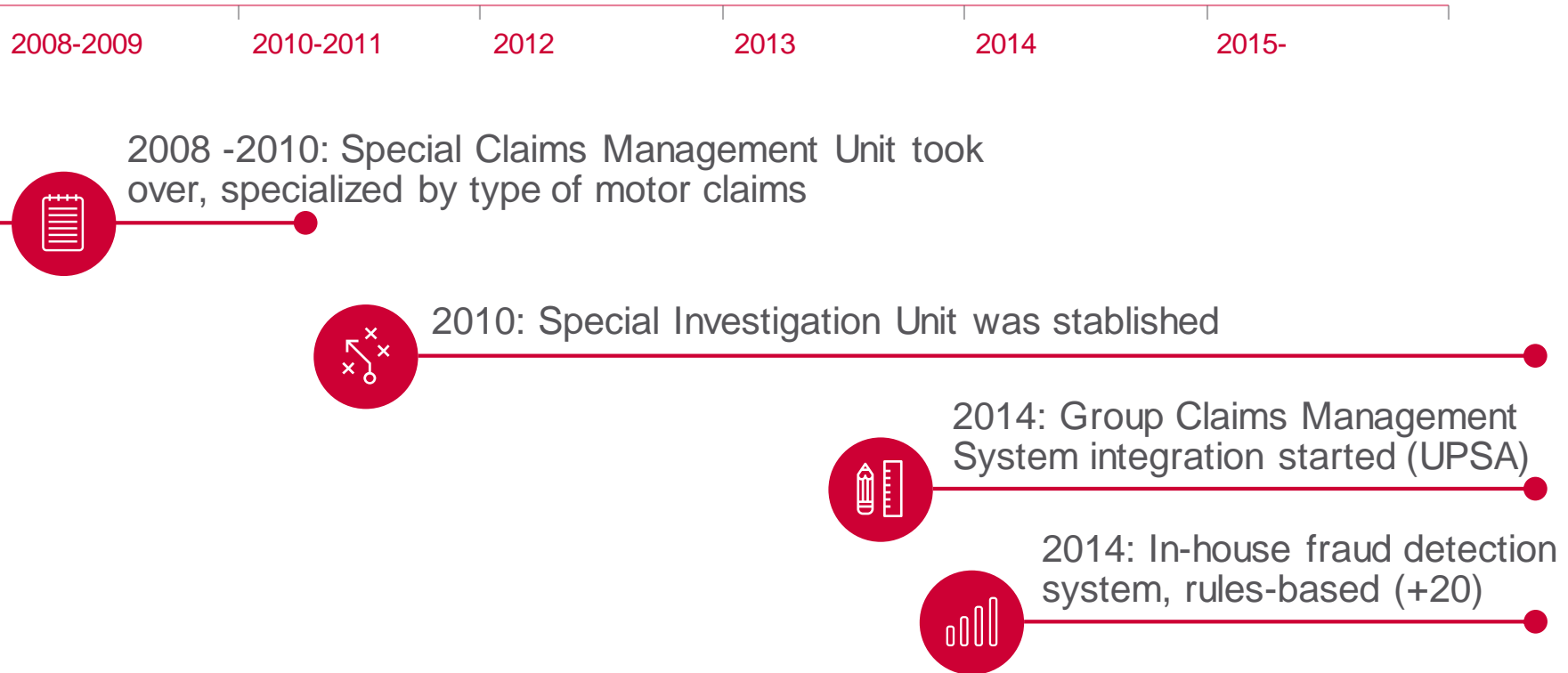


- Auto has the tightest margins and fiercest competence

Fuente: ICEA

Background

Early steps of the journey in Seguros Catalana Occidente



- In 2014 we clearly reached a plateau of productivity in our effort against fraud.
- We were looking for “something” to create a sustainable, hardly replicable, competitive advantage in claims cost.

Background

How we felt?

Board



Management

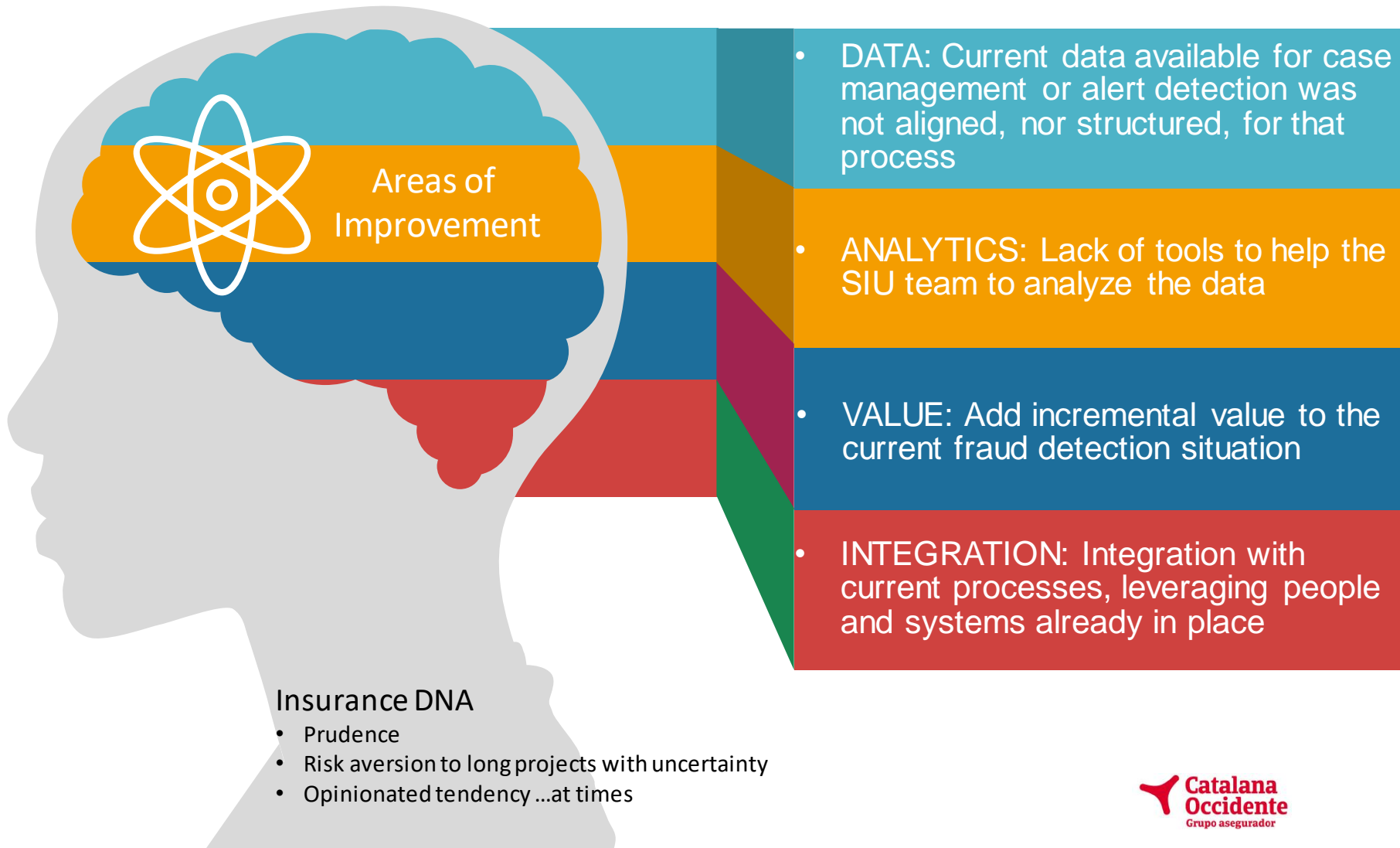


Special Investigation Unit

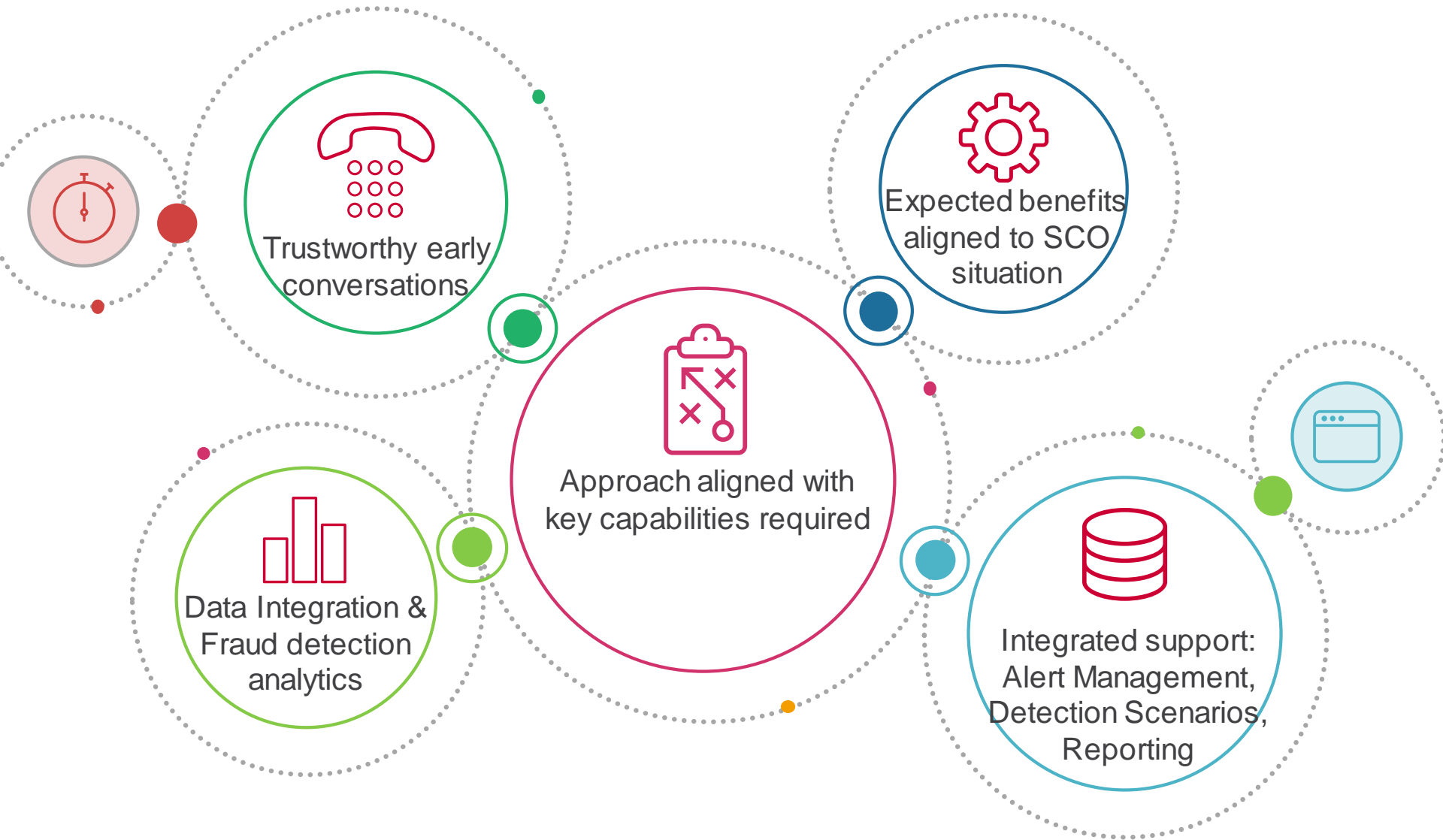


Background

How we felt?

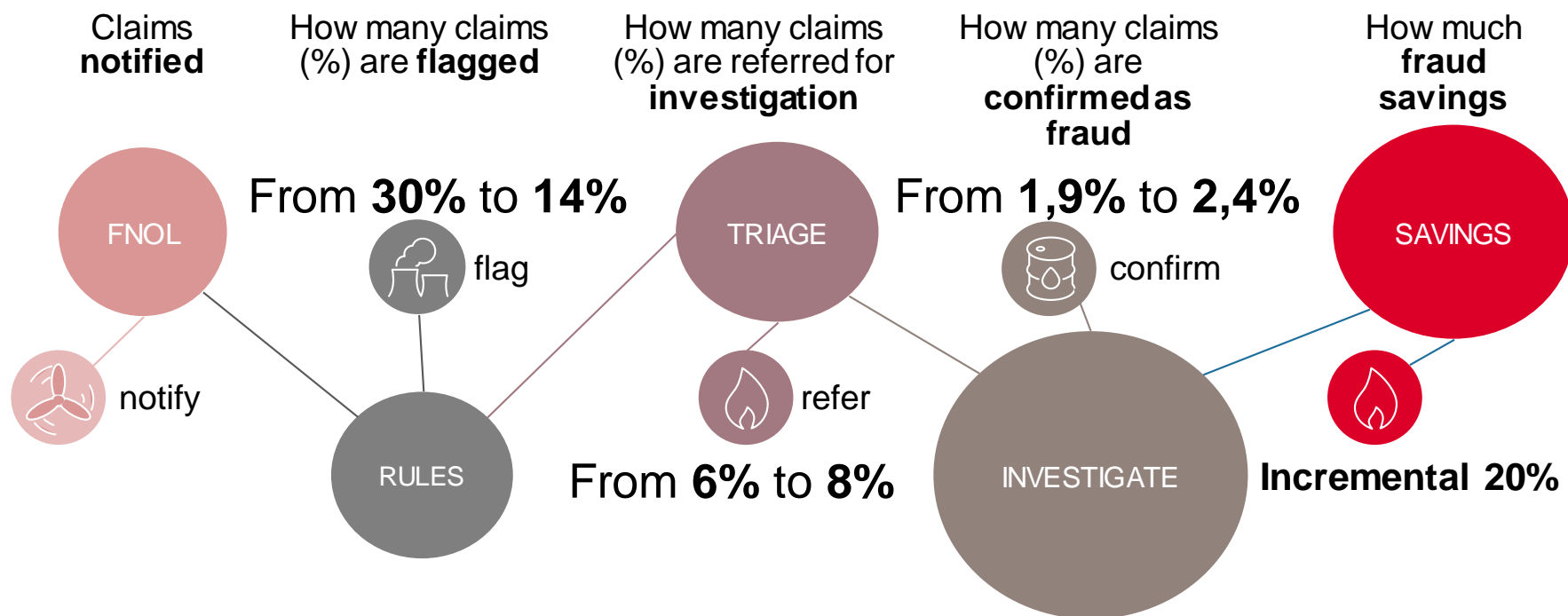


Why SAS

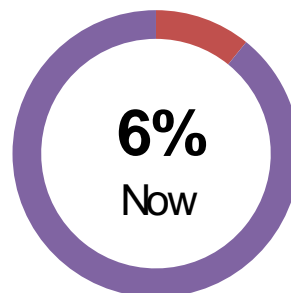
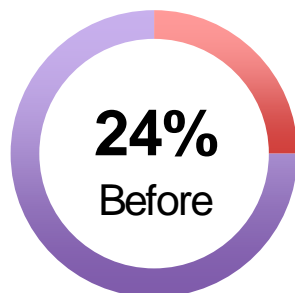


Outcomes

Quantitative Side



How many claims (%) are **false positives**





Outcomes

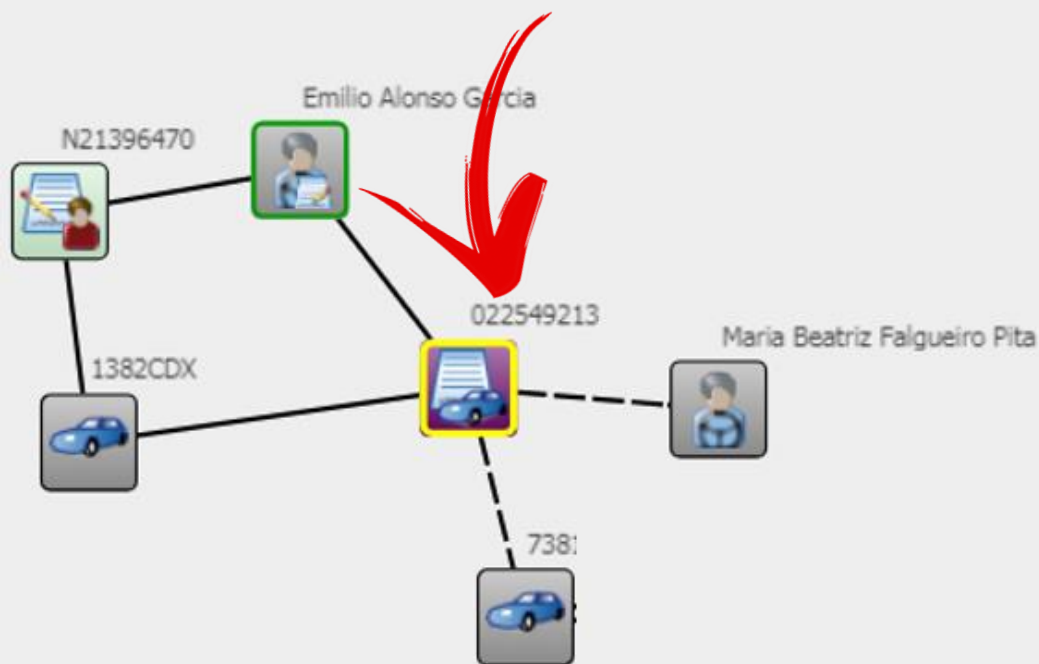
Qualitative Side

- Make triage and investigation **processes more homogeneous** across different teams, areas and companies.
- **“White-box”** approach: A Fraud Score is not enough. Chasing claims fraud is about building evidences to prove the case
- **SAS solution acts like a Hub** in a collaborative claims team to improve customer experience and Catalana’s effectiveness.

Outcomes

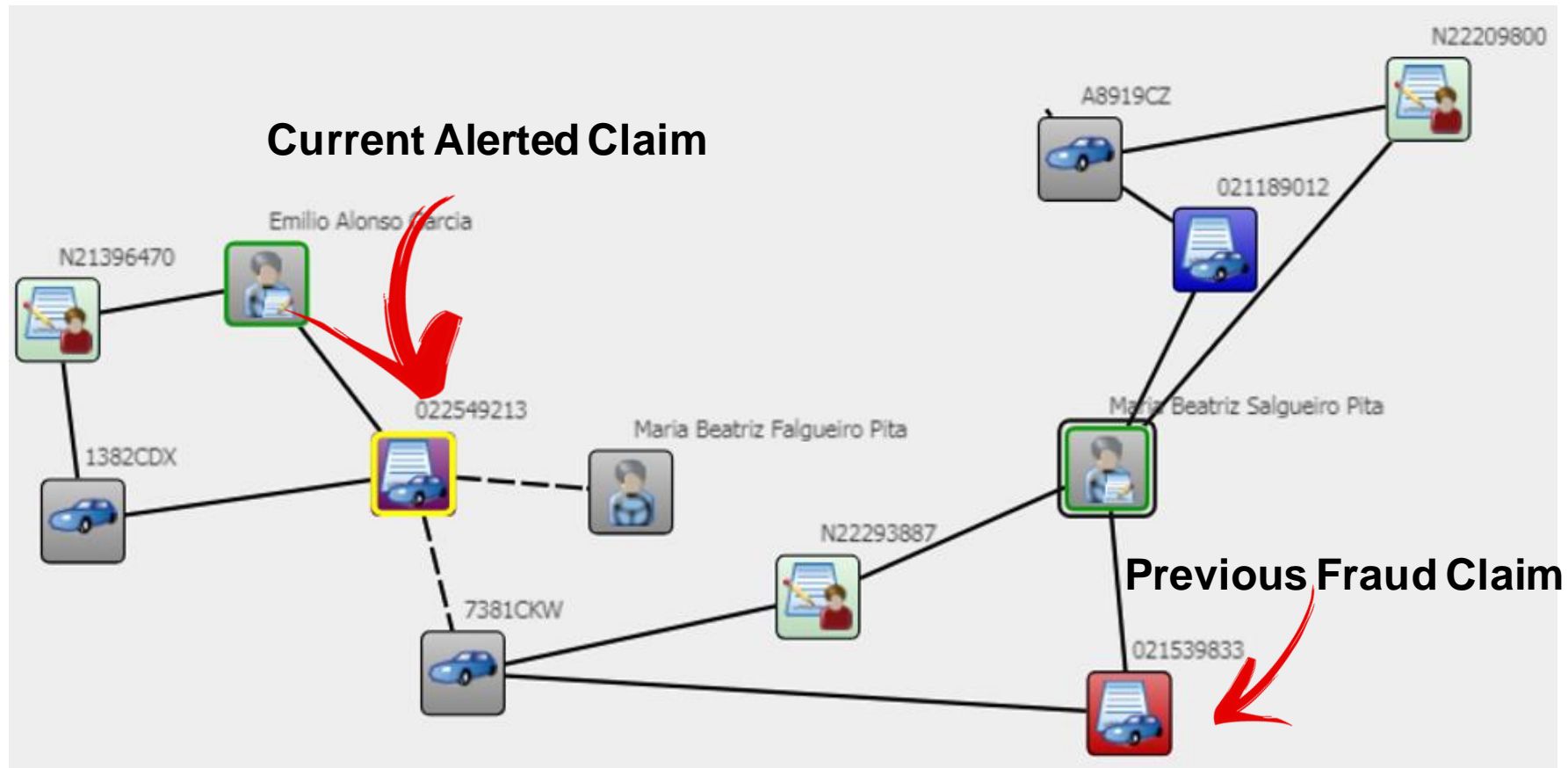
Illustrative Example (Material damages)

Current Alerted Claim



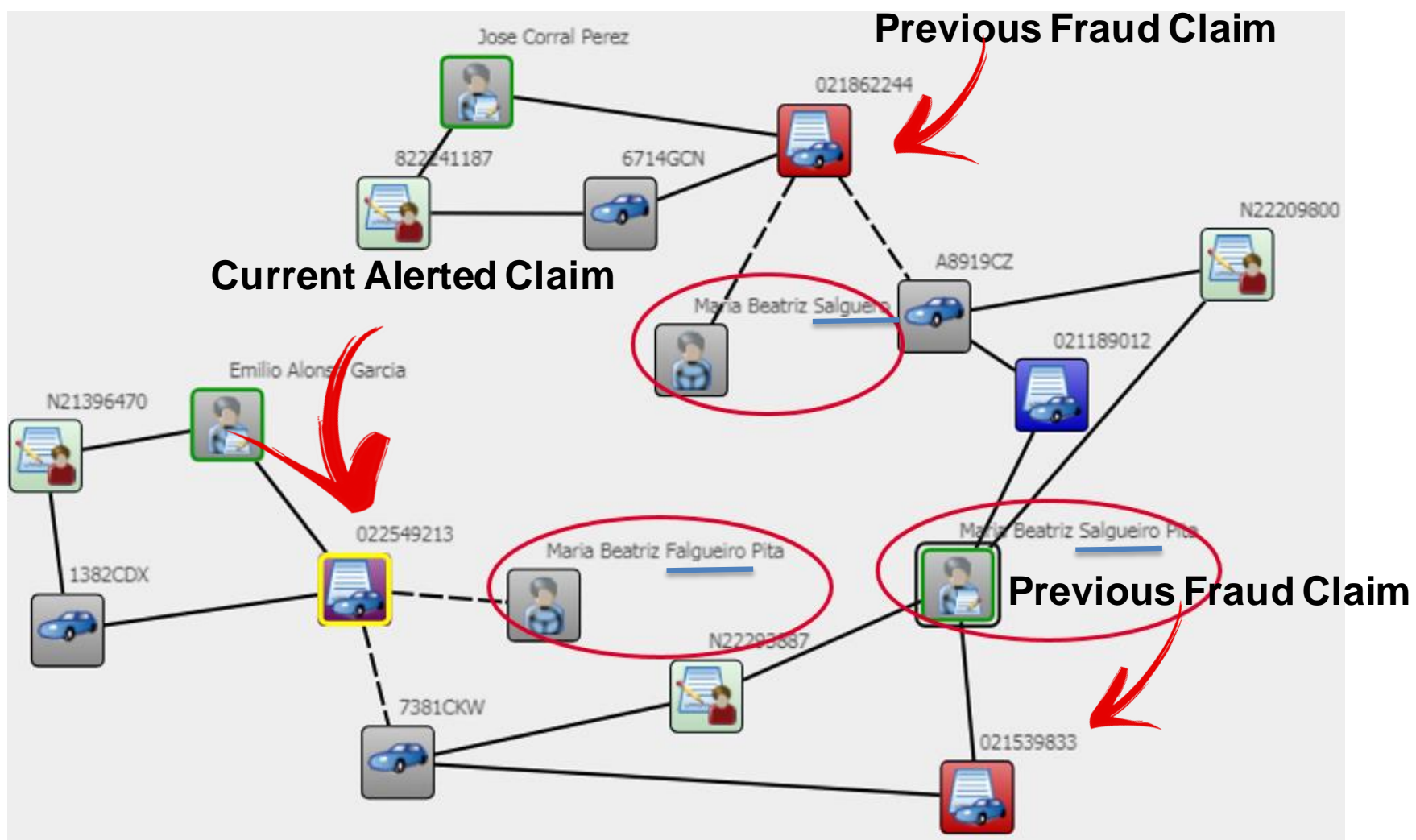
Outcomes

Illustrative Example (Material damages)

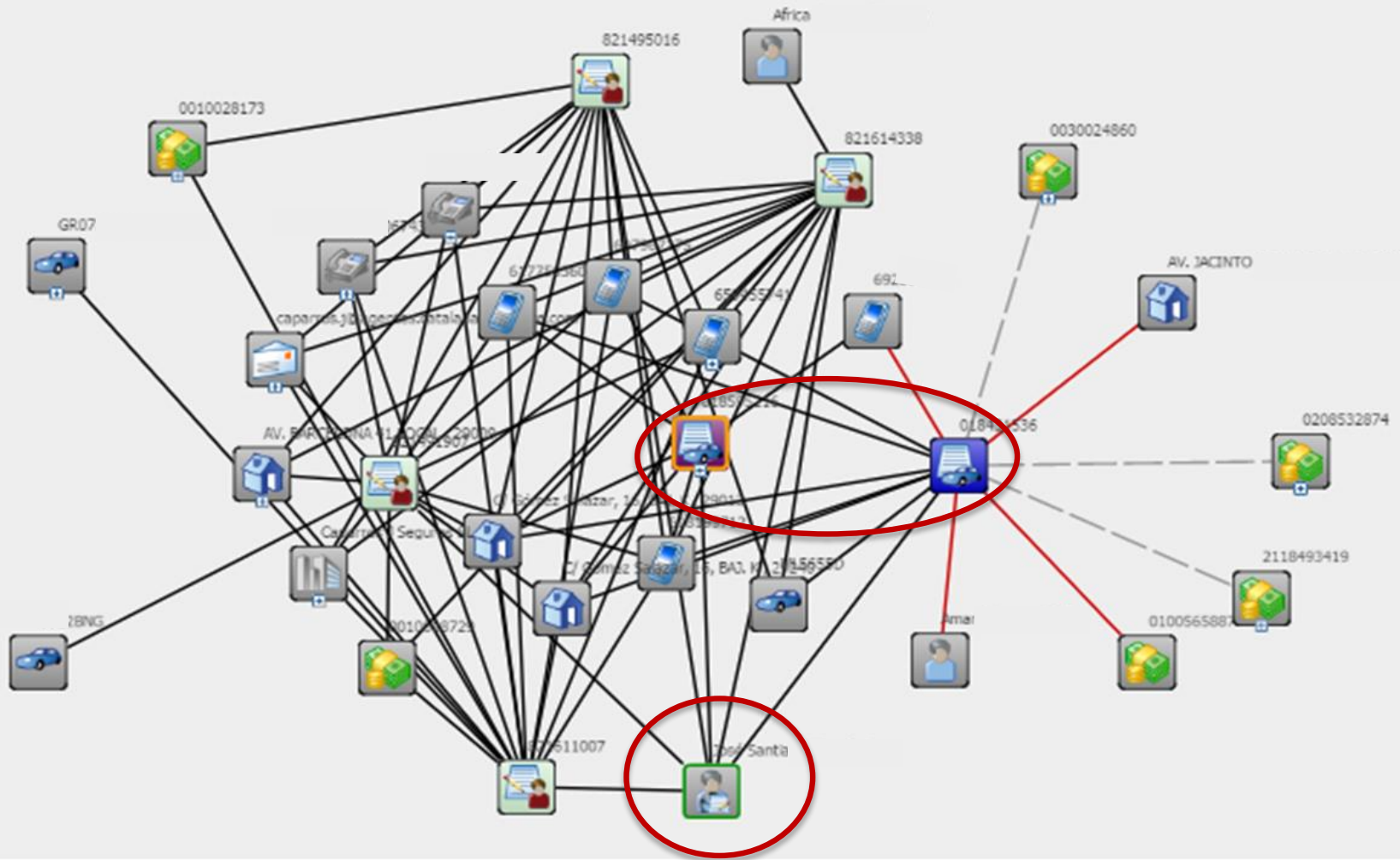


Outcomes

Illustrative Example (Material damages)

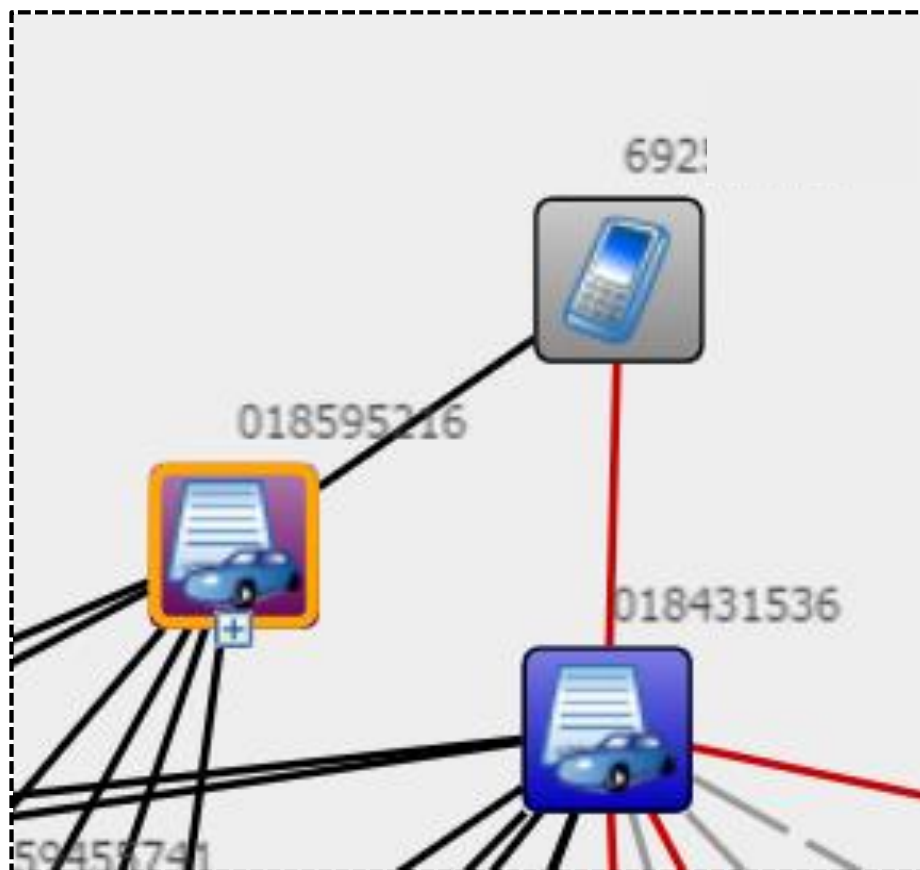


Illustrative Example (Bodily injuries)

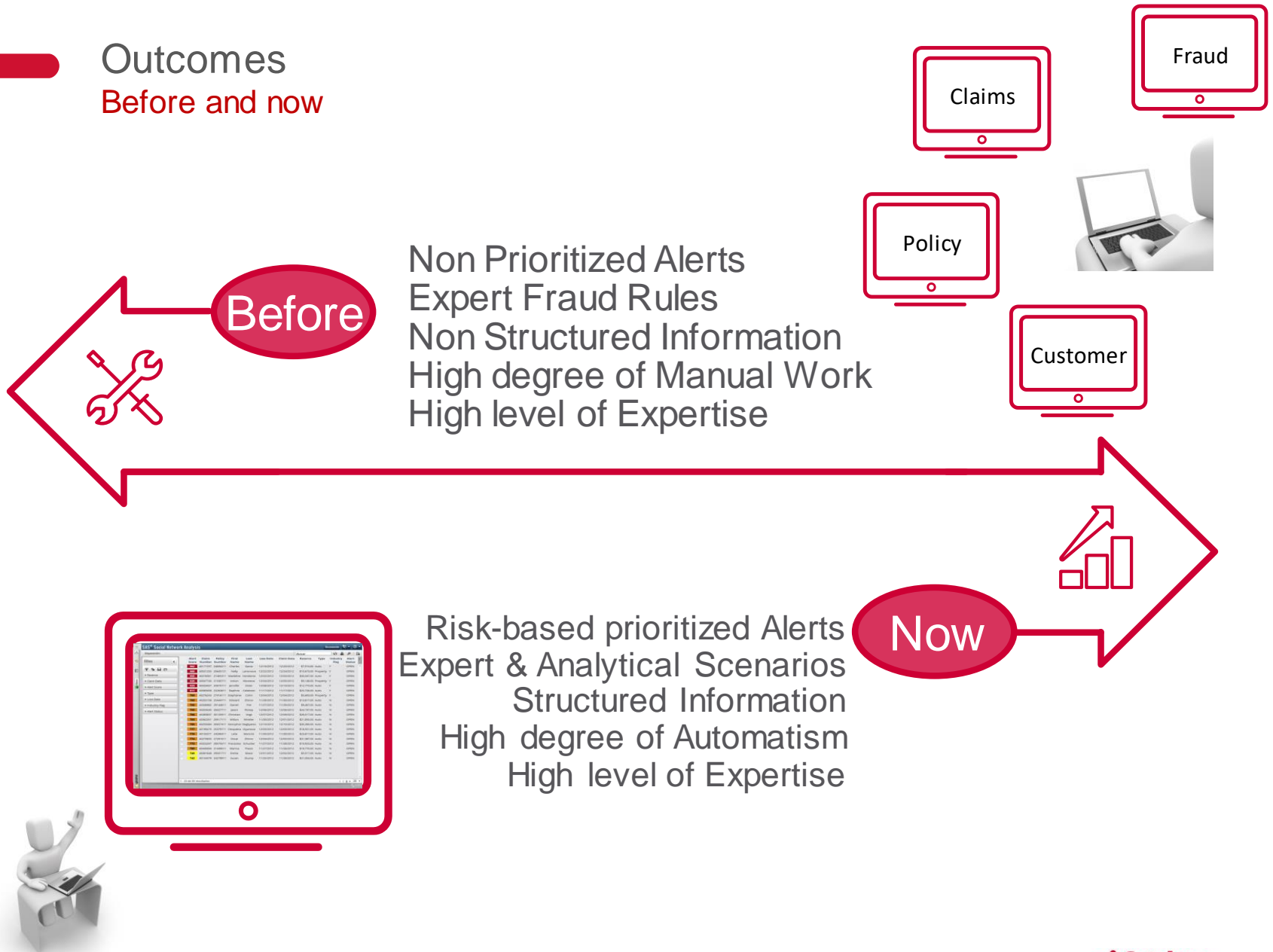


Outcomes

Illustrative Example (Bodily injuries)



Outcomes Before and now





Our Roadmap

Chasing fraud is a journey not a destination

What have we done so far?

- After 1 year implementation project...
- ... we are in Production for 2 years for Motor LoB, both kasko and bodily injuries.

Where are we heading?

- Next week we enter in Production the whole Grupo Catalana Occidente for Motor LoB,
- Enhancing in a regular basis the detection scenarios
- Online scorings
- Currently evaluating Solution roll out to the rest of P&C LoB

Lessons Learned

In our journey

The keys to success (according with our experience):

1. Overwhelming willingness of taking a change (from top to bottom)
2. Rely on experience: the right provider o consultant. Claims fraud analytical approach and best and worst practices
3. Team: motivated and enthusiastic
4. Data quality



Thank you

