Insurance claims fraud

Make better payment decisions by quickly detecting and managing fraud

Correctly predict fraudulent claims at first notice of loss

Get a complete, accurate view of claims fraud data across product lines

Reduce the impact of fraud on legitimate policyholders

The Issue

Fraud losses represent a systemic risk to the profitability of every insurance company. Approximately 10% of all property and casualty insurance claims have an element of fraud – in many countries, this amount is significantly higher. Effectively tackling insurance claims fraud is a clear opportunity for insurers to save money, optimize expense ratios and maintain competitiveness in a dynamic market.

But tackling insurance claims fraud can be difficult. Reduced human interaction during the insurance customer lifecycle allows fraudsters to flourish, with new tactics made possible by digital channels – such as online claims notification and management. In times of economic contraction or high inflation, fraud increases as underlying costs pressure consumers and businesses. Also, siloed data systems and sources can result in incomplete and unreliable decisions, negatively impacting the policyholder experience. Time-consuming and error-prone manual data preparation often results in too many false positives. At times, inconsistent claim handler approaches conflict with customer service goals.

The Challenge

Evolving claims fraud. The move to digital channels has increased fraudsters' options. Organized crime rings are drawn to low-risk, high-return methods – causing insurers to pay for duplicate damage across multiple claims and policies. With analytics from SAS®, you can uncover previously unknown relationships among seemingly unrelated entities and identify new and emerging fraud threats.

Increasing policyholder expectations. Honest policyholders expect prompt payment of valid claims in an always-on, digital environment. High false positives negatively impact special investigative unit (SIU) processing volumes, delaying legitimate payments. Shifting fraud costs to policyholders through higher premiums can lead to churn. SAS helps reduce false positives with capabilities including network analytics, machine learning and explainable AI to ensure alerts highlighted for triage are incidents of provable fraud.

Missing data. With siloed information, it's almost impossible to share and spot suspicious activity across product lines. SAS consolidates real-time fraud intelligence in a single, intuitive platform containing dashboards, workflow, reporting, audit reports and case management.

Limited time and resources. Insufficient SIU analyst and investigator resources cannot effectively detect, triage and investigate all potentially suspicious activity. SAS finds fraud accurately through multiple analytic methods and layers of fraud detection to help SIUs operate more efficiently.

Our Approach

Improving claims fraud detection means significant savings, increased profitability and lower loss-adjustment expenses for your organization. SAS' scalable, comprehensive approach to claims fraud is based on experience with more than 100 global insurance fraud customers. We provide industry-leading software and services to help you:

- **Detect more fraud than current methods.** Find fraud at the claim, transaction, entity or network level with our hybrid analytics approach.
- **Increase per-investigator ROI.** Stay focused on provable fraud and maintain consistent processes for all cases.
- **Quickly uncover organized crime rings and new fraud schemes.** Assess, in seconds, all claims from the first notice of loss – visualizing connections and drilling into data to proactively prevent large losses.
- **Monitor claims fraud risk across all lines of business.** Integrate the entire insurance claims fraud detection process from data management to investigation, decision and reporting in a single, cloud-native platform that uses all internal and external structured and unstructured data.

The SAS® Difference

Incorporating all your internal and external data with AI and machine learning techniques helps you significantly improve fraud detection efforts. With SAS, insurers get:

- **Comprehensive data management.** Prepare and enhance data for fraud detection with insurance-specific data models and predefined data quality routines.
- **An advanced fraud analytical engine.** Uncover more suspicious activity using multiple analytics techniques, such as business rules, anomaly detection, predictive modeling and database searches.
- **Advanced text analytics and data mining.** Analyze structured and unstructured data to reveal otherwise unnoticed fraudulent activities.
- **Network link analysis.** Quickly discover organized fraud rings that often take months or years to stop.
- **Streamlined alert management.** Get consolidated and transparent alerts automatically prioritized and routed for investigation.
- **Flexible deployment options.** Use your cloud, our cloud or both. SAS can manage your deployment, delivering high availability and speed-to-value.

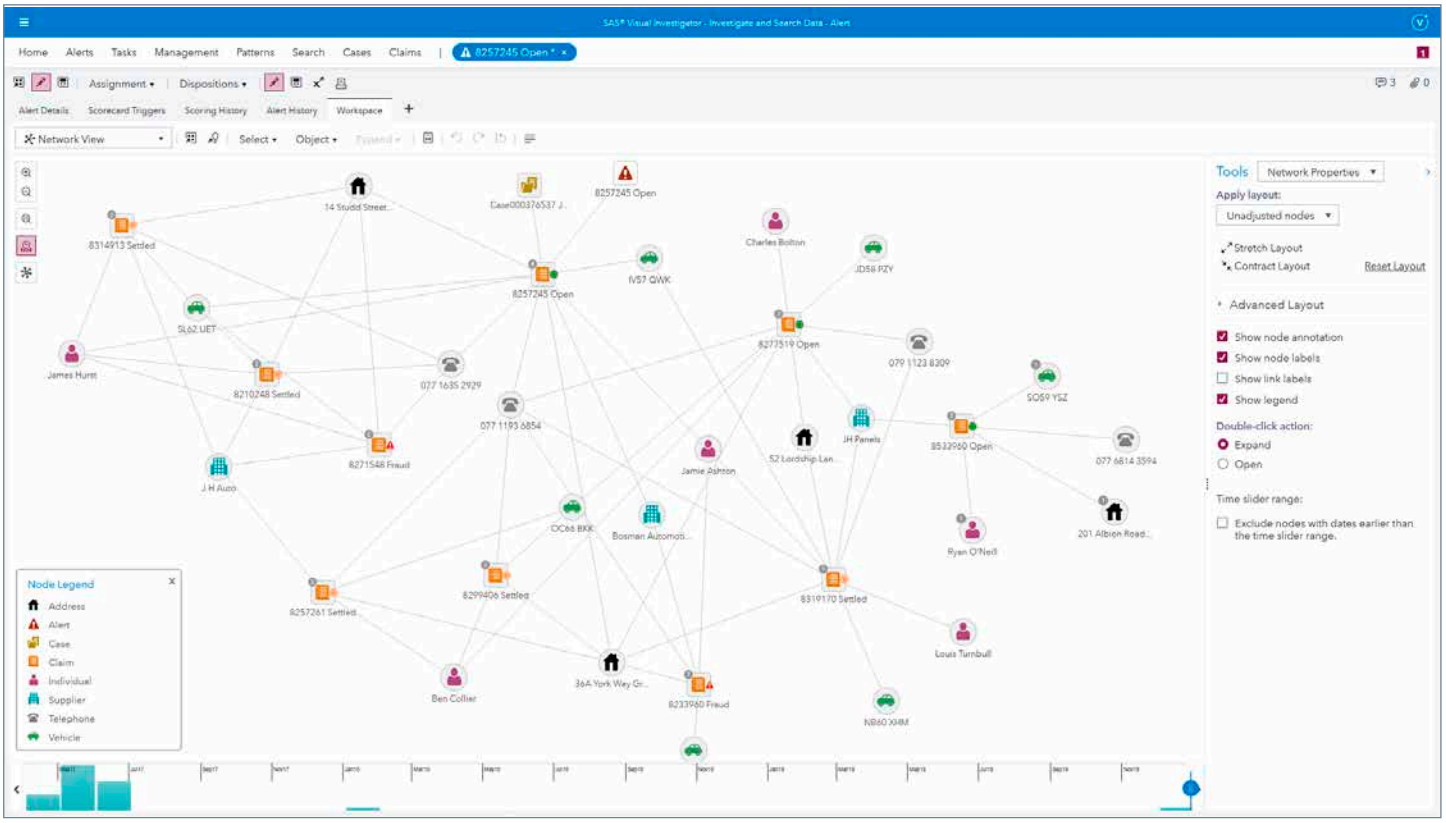

Figure: Social network diagrams give you a better understanding of new fraud threats so that you can prevent substantial losses early.

For more information, please visit SAS Insurance Fraud Analytics.