arvato
BERTELSMANN

How can you achieve long-term reduction of your global claims ratio?

With RiskShield 360°, the automated fraud detection system.

When an international insurance company needed to optimize its fraud prevention system and claims processing, it turned to RiskShield 360°, Arvato Financial Solutions automated fraud pattern detection system. By taking this step, the company succeeded in slashing its global claims rate and increased the speed and customer focus of its claims management processes at the same time, resulting in improved long-term claims control and enhanced customer satisfaction.

↓ 01   Challenge

Up to 10 percent of all insurance claims received by insurance companies are fraudulent. The methods used are many and varied, from false descriptions of damage and fake claims to traffic accidents that are deliberately provoked or even fictitious. As a consequence, insurance companies face rising claims rates plus high processing and legal costs. The client faced the challenge of increasing its focus on its claims management and underwriting result. The company sought a solution that would be easy and quick to implement in ongoing processes and could be localized for a variety of global markets, incorporating legal framework conditions and individual claims management features in the various countries.

↓ 02   About the client

The international insurance company has over 55,000 employees all over the world. The Swiss-based company supplies a broad range of insurance products and services through 170 countries; its clients include individuals, small and medium-sized enterprises, and multinational corporations.

Results

— Automated fraud detection
— Rapid availability of the solution
— Reduced claims ratio
— Cost savings in claims processing
— Improved customer satisfaction
— Flexible adaptation for international markets

→

Solution

Arvato Financial Solutions implemented a fraud detection solution for its long-standing client in the insurance industry. In a two-phase process, RiskShield 360° was initially installed as an out-of-the-box solution and then aligned to conditions on the individual target markets, including Mexico, Switzerland, South Africa and Argentina. The solution was implemented in eight countries.

↓ **Innovative combination of technologies**

When a claim is reported to the insurance company, RiskShield 360° conducts a comprehensive fraud analysis and sounds the alarm if the scenario appears to be suspicious. The software applies an array of parameters to determine the likelihood of fraud, including pattern identification based on dynamic profiles as well as network visualization. Its fuzzy logic mimics human thought patterns by defining "soft" or variable boundaries for standard alarm triggers, based on the expertise of fraud specialists. RiskShield 360° also uses text mining to analyse free text fields in insurance claims, flagging combinations of specific key words that may be potential indicators of fraud.

↓ **Extensive data mining**

Differentiation between customers is also effected by using the insurance company's existing databases, e.g. details of a customer's claims history, and detecting fraud by combining them with external sources such as data pools. For example, RiskShield 360° can identify a problem if an individual submits a series of similar claims to various insurance companies within a short period. The fraud detection analysis process is fully automated. Once a fraudulent claim is identified, the insurance company can forward it for further in-depth investigation in seconds, while genuine claims are paid out rapidly without the need for further research.

By implementing RiskShield 360°, the company was able to optimize its fraud prevention defences and improve its claims control over the long term. The solution was rapidly implemented and flexibly localized for a range of global markets, enabling the company to boost its competitive edge on international markets.
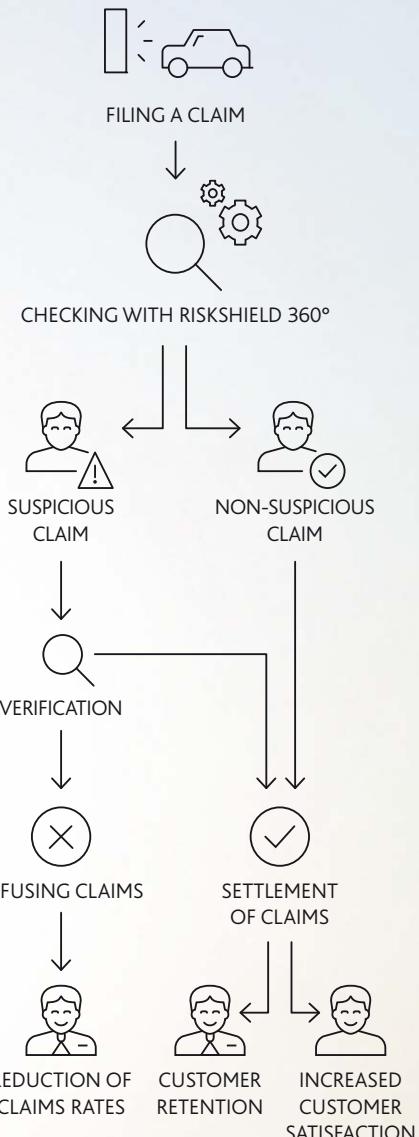
»Arvato Financial Solutions provides a fraud detection solution that responds flexibly the challenges encountered in international operations. RiskShield 360° enables insurance companies to slash their claims rate, while providing faster claims settlement that convinces their customers.«

FILING A CLAIM

CHECKING WITH RISKSHIELD 360°

SUSPICIOUS CLAIM

NON-SUSPICIOUS CLAIM

VERIFICATION

REFUSING CLAIMS

SETTLEMENT OF CLAIMS

REDUCTION OF CLAIMS RATES

CUSTOMER RETENTION

INCREASED CUSTOMER SATISFACTION

Our services

– Global adaptation of the solution to local markets
– Rapid implementation within 4–6 months per country
– Unique combination of technologies
– Clear-cut information
– Flexible ruleset

A solution in cooperation with **INFORM**

Do you have any further questions? Please feel free to contact us.

Arvato Financial Solutions | Konrad Lampe
Phone: +49 611 978 529 | konrad.lampe@arvato.com | finance.arvato.com

Arvato Financial Solutions – convenience in every transaction

arvato
BERTELSMANN