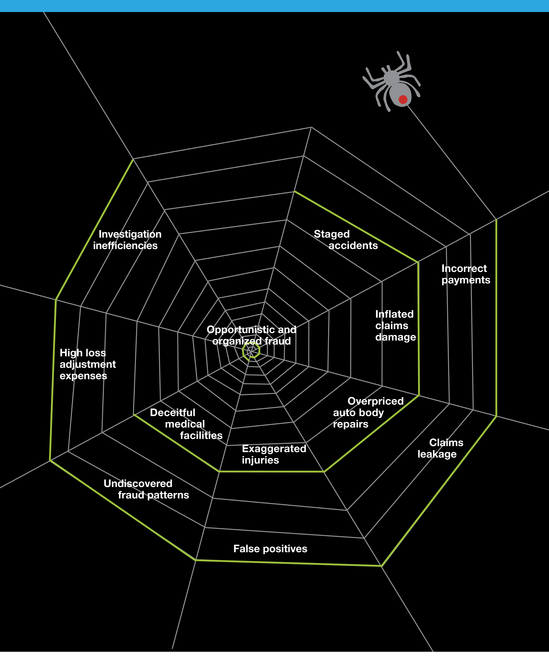
IBM Counter Fraud Management

Cut through the web of insurance fraud with advanced analytics



The costly rise of fraud

$32 billion: The estimated cost of property and casualty fraud each year in the US alone[1]

$950 per family: The yearly cost of insurance fraud for each American family[3]

51%: The percentage of surveyed insurers that believe suspicious activity is increasing[2]

£3.6 million/day: Every day, insurers in the UK uncover 350 instances of insurance fraud worth £3.6 million[4]

Why is combating fraud getting harder?

- More fraud attempts
- Greater sophistication and complexity
- Limited in-house skills and resources
- Fixed budgets for anti-fraud solutions

What are your stumbling blocks?

Relying on tips and adjuster intuition? More than 40% of fraud investigations are triggered by tips.[5] But tips and intuition are insufficient, especially as the volume and complexity of fraud grow.

Inability to capitalize on big data? Many insurers lack the right tools to sift through and analyze the tremendous volume and variety of data available today.

Multiple, disconnected systems? Integrating data from disparate internal and external sources is critical for making the connections that will help you detect and prevent fraud.

Limited automated detection? Basic red-flag capabilities alone are insufficient for detecting today's complex and emerging forms of fraud. To combat new threats, insurers must add more advanced, automated approaches to fraud detection.

IBM® Counter Fraud Management can help you unravel the web of fraud

Detect

Score and rescore claims using rules and multiple analytical fraud models as part of the business process to detect potential fraud earlier and avoid pay-and-chase situations.

Respond

Apply deep insights to take the next best action for a claim. Differentiate legitimate actions from suspicious ones and respond immediately to criminal patterns and activities.

Investigate

Turn fraud intelligence into action. Perform and manage deep inquiries into suspicious activity to compile evidence and build cases.

Discover

Facilitate learning and enable continuous improvement in fraud detection by analyzing historical data, assessing patterns and building watch lists for potentially fraudulent individuals and organizations.

IBM®

Learn more
Ready to learn more about IBM Counter Fraud Management?
Visit: **ibm.co**/insurancefraud

[1] This figure, an estimate of losses for each year between 2009 and 2013, is based on insurance industry estimates that fraud constitutes 10 percent of the property/casualty insurance industry's incurred losses and loss adjustment expenses each year. Insurance Information Institute, "Insurance Fraud," http://www.iii.org/issue-update/insurance-fraud#_fn1.
[2] Insurers reported that suspicious activity was increasing from 2012 through 2014. Metrics derived from an online survey of 42 insurers in the property and casualty market. Coalition Against Insurance Fraud and SAS, "The State of Insurance Fraud Technology," September 2014.
[3] Coalition Against Insurance Fraud, www.insurancefraud.org/fraud-backgrounder.htm#.VfnvoeSnBk.
[4] Association of British Insurers, www.abi.org.uk/News/News-releases/2015/07/You-could-not-make-up-Savings-honest-customers-insurers-expose-3-6-million-worth-insurance-frauds.
[5] "Report to the Nations on Occupational Fraud and Abuse," 2014 Global Fraud Study, www.acfe.com/rttn/docs/2014-report-to-nations.pdf.

© Copyright IBM Corporation 2015. IBM, the IBM logo, and ibm.com are trademarks of IBM Corp. registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the web at "Copyright and trademark information" at ibm.com/legal/copytrade.shtml

ASU12349-USEN-00