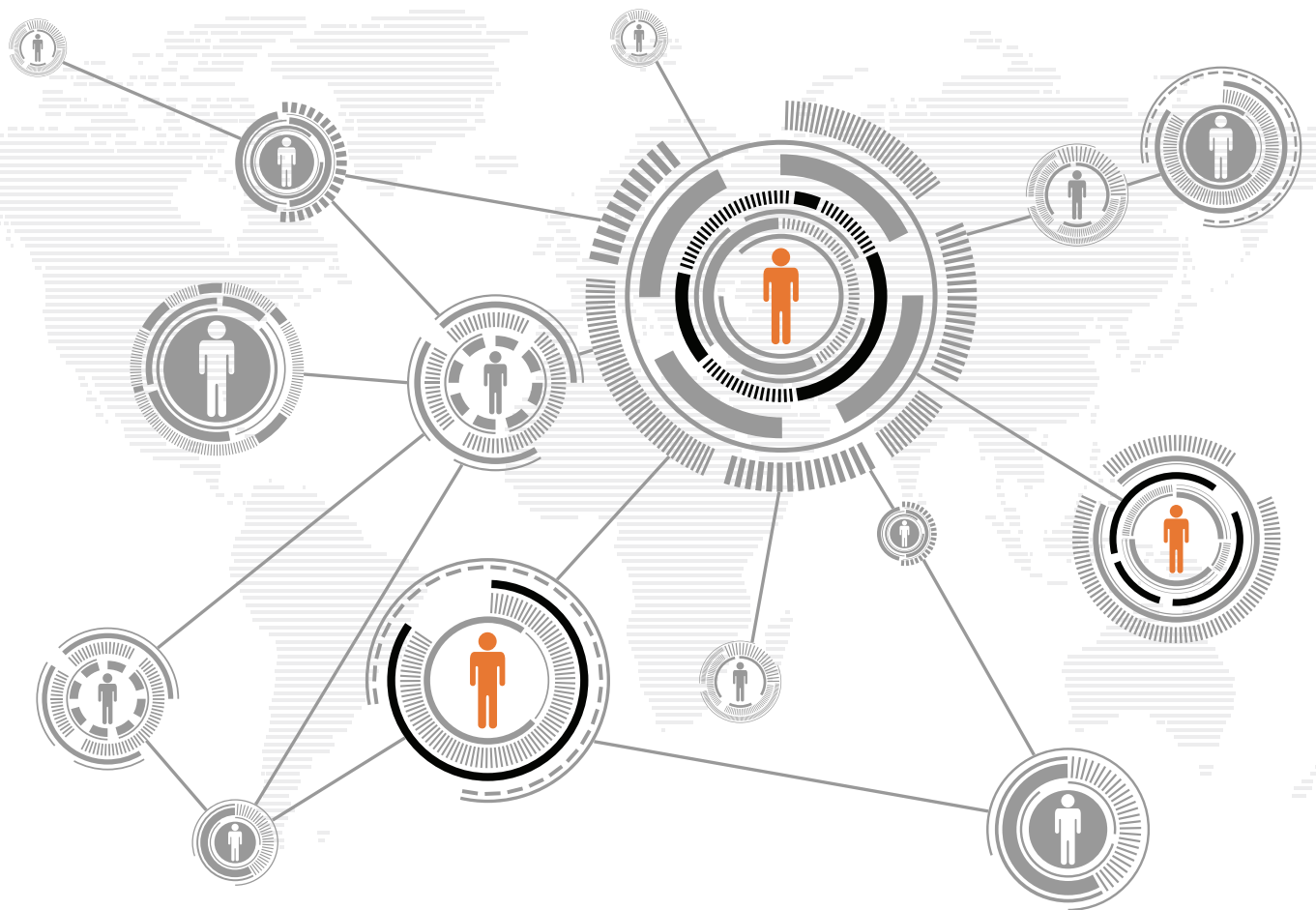




Insurance Fraud Detection and Prevention



Simple and Cost-Effective Fraud Prevention

Insurance fraud is a global problem.

One study found that 30% of motor insurance claims and 40% of all medical claims are fraudulent. Fraud cases in Kenya's insurance sector rose 60% in the first three months of 2016, compared to a similar period in 2015.

In South Africa, one study found that at least 7% of all medical claims are fraudulent, costing members annually between R2 500 and R2 800.

In both cases, the fraud rate is based on detected cases. It can be assumed that numerous cases go undetected.

For insurers looking to enhance their fraud detection and prevention programs, Alessa is a solution that integrates with existing IT systems, examines all the data and provides a holistic view of the claims processing programs. Benefits of the solution include:

Reject out-of-policy claims: Review every claim/transaction and get alerts for out-of-policy claims that need further investigation.

Stop complex fraud schemes: Use machine learning and AI to stop those hard-to-detect fraud schemes.

Use only reputable vendors/providers: Regularly screen and score vendors and providers to ensure compliance.

Effectively comply with legislation: Demonstrate to regulators that fraud prevention is a core aspect of your business.

Increase profitability and keep premiums down: Quickly approve valid claims to increase customer satisfaction and decrease revenue leakage due to fraud.





Capabilities

Real-Time or Periodic Monitoring of Claims

Monitoring of claims and transactions can be done in real-time, periodically or by specific events. The tasks execute the specific analytics and based on the results, create relevant alerts for further investigation and remediation.

Vendor and Provider Management

Alessa allows insurers to regularly screen vendors and providers against lists to ensure that they comply with policies. Risk scoring allows organizations to identify high-risk third-party individuals and businesses that require further investigation.

Rules-Based Analytics

Alessa has a configurable rules engine that allows organizations to create rules that claims of different kinds must follow to ensure compliance with internal controls.

Machine Learning and AI

Anomaly detection, machine learning, and other AI-based techniques are used to create fraud models to detect schemes that reduce the profitability of organizations.

These models are continuously trained using business transaction history and case management actions to prevent fraud management programs from getting out-of-date.

Investigation Tools

Alessa offers dynamic workflows to guide processes and investigations. Enterprise search capabilities allow for easy analysis of data within internal and external sources while case management offers a collaborative approach to investigations, compliance and decision-making.

Scalable, Cloud-based Solution

Alessa is designed to screen millions of claims and transactions across the business. Start with one area and grow as the solution reduces fraud and increases profitability.



Increasing Profitability - Alessa Success Stories

Stopping Millions in Fraud in Vendor Program

Queensland Health needed to address deficiencies in its budgetary controls after one of its staff used his position to authorize \$16.7 million in payments to a company registered in his own name and manually manipulate the department's vendor master database to obscure the relationship.

The organization turned to Alessa to create a data matching process, which ensures any suspect entries in its vendor database are detected on a daily basis.

At the end of the business day, tables of vendor details (like Australia Business Numbers (ABNs) and Goods and Services Tax (GST) statuses) are extracted from its information management system and verified against official records.

The resulting solution not only checks business numbers but also performs daily checks for duplicate vendors, stale vendors and multiple changes in vendor statuses and bank accounts that are common in inefficient programs and fraud schemes.

Quantifiable Savings by Monitoring all Claims

The National Insurance Board (NIB) is responsible for administering the social security program in the Commonwealth of the Bahamas. Its primary mission is to provide income replacement in respect of sickness, invalidity, maternity, retirement, death, industrial injury/disease, and involuntary loss of income.

NIB decided to conduct an initial test with Alessa where 16 key controls were selected to be monitored. The process demonstrated a potential return on investment of over 1,000 percent in quantifiable savings.

Based on the cost/benefit analysis and an attractive value proposition, the NIB management team decided to proceed with Alessa where over 50 controls in the critical stages of the insurance process (including registration, eligibility assessment, claims, adjudication and payment) are continuously monitored.

The solution provides instant notification of all exceptions, allowing NIB to have a robust exception management system that is proactive. Now, NIB can focus on the pertinent issues within their day-to-day operations that will help achieve their objectives.

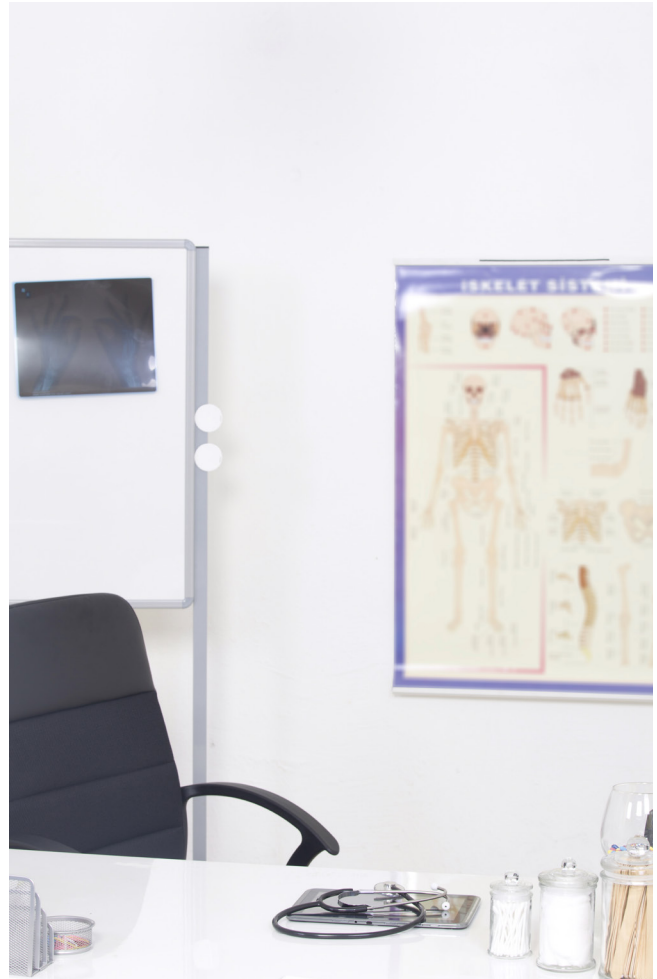
Stopping Payments of Suspicious Claims

Sagicor Financial needed to identify suspicious or fraudulent claims, as well as claims that did not adhere to policies. These initiatives were critical to helping the organization improve their operations and prevent potential revenue leakage.

Prior to using Alessa, the resources and tools available to Sagicor could only analyze 1% of claims and associated transactions. As a result, the information reports were not comprehensive enough to detail all the relevant anomalies within the business process.

With Alessa, the company is now able to monitor 100% of all claims and transactions and focus on exceptions generated by the analytics that detect errors, potential over-payments, duplicate payments, anomalies and other control breaches.

The Sagicor team also has the ability to implement new controls allowing the company to stay ahead of risks and uphold its continued tradition of increasing benefits to its customers.



About CaseWare RCM

CaseWare RCM Inc. is the maker of Alessa, a financial crime detection, prevention and management solution. With deployments in more than 20 countries in banking, insurance, fintech, gaming, manufacturing, retail and more, Alessa is the only platform organizations need to identify high-risk activities and stay ahead of compliance. To learn more about how Alessa can help your organization ensure compliance, detect complex fraud schemes, and prevent waste, abuse and misuse, visit us at www.caseware.com/alessa.



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