CUSTOMER STORY

ANADOLU SİGORTA

“5 MILLION EURO SAVINGS THANKS TO NOT HAVING TO PAY-OUT PROVEN CLAIM FRAUDS”


ISTANBUL, TURKEY

- 1. CUSTOMER: Anadolu Sigorta
- 2. CHALLENGE: A future proof and effective automated fraud detection solution for the claim process and organization wide fraud awareness.
- 3. SOLUTION: Fraud Detection at Claims
- 4. RESULT: 5 million Euro savings thanks to not having to pay out proven frauds. Automated and STP claim process. Established a fraud fighting culture.

1. CUSTOMER

Anadolu Sigorta is part of İsbank, which is one of the biggest Turkish private banks with approximately 1360 branches. As of December 2017, Anadolu Sigorta has 1200 employees and 10 regional offices. In terms of production, Anadolu Sigorta is the number one in Turkish casco insurance business, with 14% market share and around 1 billion TRY premium, while the total premium production of the company was 4.7 billion TRY (nearly 1 billion Euro) in 2017. Of the total production, 66% comes via agencies, 14% via isbank branches and 20% via other channels.

2. CHALLENGE

Anadolu Sigorta had a challenge with detecting fraud in the claims department. Fifty people had to manually scan for suspicious files, based on a minor set of business rules. A suspicious claim would go to one adjustor who had to accept or decline the claim. This process took about 15 days before payment decision for a suspicious file could be made.

Also, a lot of cases slipped through as they were all seen as individual cases without a holistic view of the case.

With 25.000 to 30.000 claims per month, Anadolu Sigorta acknowledged that the fraud analytics process had to change.

The manual detection was not future proof nor efficient. They started an evaluation for an automated system to:

- Detect more fraud via integrated fraud detection in core processes;
- Be able to reveal details of relations between claims (repair shops, insured, drivers, etc);
- Raise fraud awareness in the company and design processes to follow-up and monitor fraud;
- Raise customer satisfaction by being able to faster process claims;
- Raise profitability;
- Set an example for the insurance market;

A successful mechanism to automatically detect and prevent fraud would also give a strategic competitive advantage, both on profitability (less fraud paid) and customer satisfaction (fair premiums and faster payouts).

"The fraud detection process was based on minor business rules."

3. SOLUTION

After a process of RFP, FRISS was selected because of the fit in requirements, budget, focus on non-life, ready-to-use functionality and expert industry knowledge of the FRISS staff.

The solution is seamlessly integrated into the core system. Integration was smooth and easy thanks to webservices.

Anadolu Sigorta then provided the historical data to start developing both the fraud rules and the analytical model (based on 3 years of claim data).

After 3 months in the project, initial workable fraud scores were delivered. These scores were finetuned further in order to deliver actionable insights at the actual go-live.

"The project went live in 2016 and took only 6 months from scratch to live."

The project went live in 2016 and took only 6 months from scratch to live. It was delivered on time and in budget. The FRISS application for automated fraud analytics stores an analytical fraud model plus 260 business rules for fraud scoring (160 FRISS out-of-the-box rules + 100 Anadolu Sigorta internal rules).

On average between 25.000 to 35.000 claims are scored each month. In the claims process a claim can receive up to 3 FRISS scores. The average time to score a claim is 2.3 seconds.

4. RESULT

As a market leader, Anadolu Sigorta set an example for other insurers in the region. They realized 210% ROI after one year and a total cost saving of 5 million Euro thanks to not having to pay out proven frauds.

In the new situation there is one system for all data, relations and network analysis, which results in a more efficient way of working, also because of the redefined claims process. Not only was the FRISS solution implemented. Changes to the core insurance system made that this system now immediately shows the score and a green, orange or red advice.

The automated fraud analytics solution takes an average of 2.3 seconds to deliver a score after which immediate investigation can follow. The whole process used to take 15 days before the project.

Also, as a result of the automization, Anadolu now has a holistic view with full fraud picture of the claim via connected network views and actionable insights that help to identify fraud on one screen. This way not only opportunistic fraudsters are stopped, organized fraud and crime can be proactively detected via the network analysis. Multi-claimers, fraudulent repair shops can be blacklisted. Agents that bring in multiple fraudulent claims are monitored.

Thanks to the automated fraud analytics they can provide better and faster service to their customers. Long term goals of the project are to even further raise customer satisfaction thanks to the effect of the more profitable operations, healthy portfolio and fast track claims.

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