Case Study – AXA UK Fraud Database

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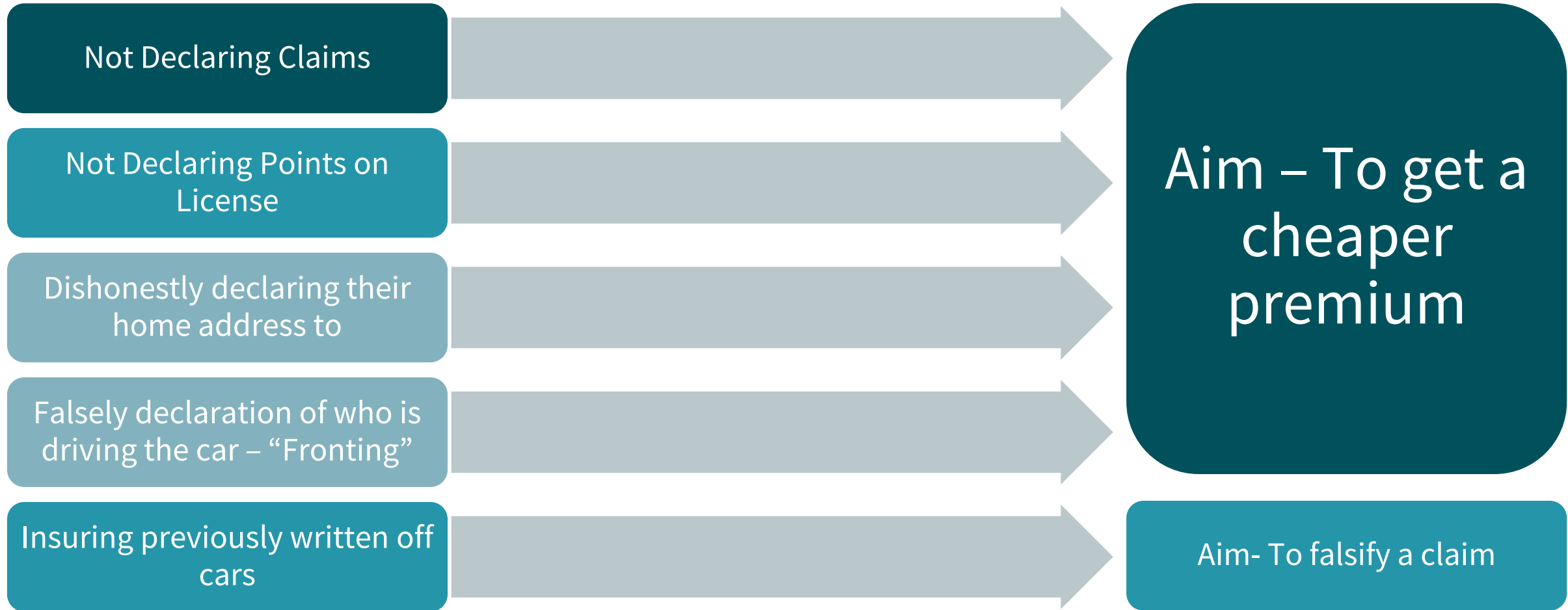
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Uberrima fides

" Utmost good faith requires **honesty and full disclosure** at all times, starting with the application phase. It prevents both the insured and insurer from concealing or misrepresenting facts during the application phase, prevents the insurer from ever altering the policy without full disclosure during the time the policy is in force and, in the event of a loss, requires the insured to provide a full, honest representation of the facts "

surrounding the event and loss.

Fraud…?
What to look for

Not Declaring Claims

Not Declaring Points on License

Dishonestly declaring their home address to

Falsely declaration of who is driving the car – "Fronting"

Insuring previously written off cars

Aim – To get a cheaper premium

Aim- To falsify a claim

Anti-Fraud Databases
UK Motor Insurance Industry Initiatives

➢ CUE (Claims and Underwriting Exchange) is a central database of motor, home, travel and personal injury/industrial illness incidents reported to insurance companies, which may or may not have given rise to a claim. Information held on CUE helps to fight against fraud.

➢ Data is stored for up to 6 years, managed by the Motor Insurers Bureau.

➢ Credit Scoring – many companies such as Experian provide valuable and credible information which verify that the person buying insurance has exactly the same profile reflected in the application.

PUBLIC

How to use this information?

Pre-Sale – Catch them before inception

AXA UK – The Key of Automation

Claims and Underwriting Exchange

- With **16 million** quotes a week for AXA UK's broker business it would be very difficult to manage fraud without automation

- Real time CUE information is checked against quotes, if a person fails to declare 2 or more claims then the quote is automatically declined

- On average **96,000** quotes are rejected every week

ID Checks

- The main check is to have the policyholders full name linked to the address provided

- Since implementation fraudulent policyholders have decreased over 100 per month to **less than 40**

The Fight Against Fraud
The hard work post - sale

Results in 25-30 policies weekly being cancelled

Weekly screening against previous fraudulent claims

Weekly report to check ID fraud against previous written policies

Automated text mining of email addresses

Ghost Broker monitoring

Ghost broking is the name given to a tactic used by fraudsters who sell fraudulent car insurance by a number of different methods…

- **They will either forge insurance documents,**
- **Falsify your details to bring the price down**
- **Take out a genuine policy, before cancelling it soon after they claim the refund plus your money**

Saving and Next Steps

How is it working and what next?

In the month of May 2019 220,000 AED were the expected savings from AXA UK

Most of the savings came from automated processes

The estimated savings over the last year amounts to nearly 5 million AED

AXA UK Pipeline

➤ Quote manipulation - tool to monitor people who quote multiple invoices under the same address

➤ Combat Opportunistic fraud - people who quote multiple times using different claims information

➤ Create a block list with the IT teams from past fraudulent brokers and policyholders