IBM i2 Fraud Intelligence Analysis

Identifying, investigating and disrupting fraud in insurance

Fraud is a significant and evolving challenge for the insurance industry, costing an estimated five to eight percent of revenues per annum. Not only does fraud directly impact an organizations' profitability, it also has a damaging effect on an organizations' reputation and regulator relationships. In addition, it can potentially lead to significant fines and long term damage to shareholder value. Compounding this problem even more is the ever increasing amount of data. As customers interact with their provider over a variety of channels, the volume, variety and velocity of data increases, making fraud detection and investigation more complex.

With public awareness of the costs of fraud increasing, insurers who adopt a proactive response to fraud will have a competitive advantage. In addition, a proactive response that enables investigation and documentation of suspicious claims will also greatly assist insurers in the repudiation process as well as reduce claim leakage.
Criminals are becoming increasingly adept at exploiting system and process weaknesses and find ways to “hide” in the siloed nature of enterprise data and customer interaction. Each interaction, however, leaves a small breadcrumb, and with that, the opportunity to identify, detect and disrupt threats.

Traditionally, companies have countered insurance fraud with point solutions. This approach can be difficult to manage, often missing cross-channel and asymmetric attacks perpetrated by organized criminals and, almost always, resulting in a more expensive, fragmented solution. This “rear view mirror” approach can also fail to spot new and emerging attacks. IBM® i2® Fraud Intelligence Analysis is an extensible solution that offers an integrated approach to tackle the end-to-end problem of fraud.

i2 Fraud Intelligence Analysis delivers critical insights for investigating complex incidents; producing timely, actionable visualization of people and events; and documenting results in easily digestible formats for repudiation and potential litigation.

“Using IBM® i2® Analyst’s Notebook®, I was able to clearly identify a claim as fraudulent in less than three hours, an accomplishment that would have taken months without the IBM i2 product.”

— Raphael Lawson, Head of Fraud, Fraud Investigation.
IBM i2 Fraud Intelligence Analysis provides fraud teams with a collaborative solution to support and improve the investigation process. It enables analysts and investigators to share and alert others of cumulative intelligence. Work-flow, key performance indicators and operating procedures support the investigation process while role based dashboards provide visibility and auditability of current workload and trends. Integration with other solutions provides further capabilities for fraud detection, analytics and case management to address the end to end fraud process.
i2 Fraud Intelligence Analysis takes a holistic approach by providing integration with:

- **Data**: Connect analysts and investigators directly to structured and unstructured data sources to turn data into intelligence.
- **Detection**: Leverage existing systems or enhance fraud detection further through IBM’s analytics capabilities.
- **Investigation**: i2 Fraud Intelligence Analysis provides a collaborative investigation environment, enabling analysts and investigators to build and leverage cumulative customer and fraud intelligence.
- **Management**: i2 Fraud Intelligence Analysis supports your investigation workflow. Dashboards provide visibility of compliance to internal procedure. Further integration to case management (existing or IBM Advanced Case Management) provides additional case and content management capabilities.

- **Reporting**: Role based dashboards provide visibility of individual workload and status, and also management reports to support the department head.

**Governance, risk and compliance**

The nature of fraud demands that detection, management and treatment fall within the GRC functions of an organization. The differing, but interlinked, requirements of risk management, compliance, and internal and external investigation groups demand different views of fraudulent activity and, most importantly, proof to support decisions and actions.

i2 Fraud Intelligence Analysis is designed to provide each of these corporate functions with the ability to view appropriate elements of fraud patterns and to collaborate more effectively so that appropriate actions can be taken to meet the needs of each department for the management and treatment of fraud.
**Analytics and visualization**
i2 Fraud Intelligence Analysis includes market leading analytical tools designed to provide rapid forensic investigation of abnormal and unexpected behavior.

With this solution, vast quantities of data from unrelated sources can be analyzed and visualized in a number of rich formats to support your investigation.

**Collaboration and investigation**
Successful investigations require actionable intelligence, and that comes from collaboration. i2 Fraud Intelligence Analysis provides intuitive, rich interfaces that enable analysts and investigators to contribute to, share and analyze investigative data. This leads to faster, more informed decision making. In addition, alerting and real time messaging support workflow and enhance operational efficiency even further.

**Investigation management**
i2 Fraud Intelligence Analysis supports your internal processes. Business rules, workflow and key performance indicators can be combined to form standard operating procedures (SOP’s) to provide individual and team visibility and auditability.

**Investigation monitoring**
Providing visibility of fraud investigations and the process can both increase investigation efficiency and raise awareness of fraud across your enterprise. To capitalize on these potential assets, key performance indicators (KPI’s) can be used to monitor progress and dashboards can be used to display results and role based content.
Insurance fraud use cases

Property and casualty insurer

Challenge:
- Manual investigation
- No collaboration and no cumulative intelligence gathering
- Limited Compliance

Solution benefits:
- Improved productivity; reducing investigation time from months to days
- Significant reduction in fraud loss and improved ratios

Global commercial insurer

Challenge:
- Multiple “line of business” fraud detection systems
- Siloed data sources
- Large unstructured data sources (internal and external)
- No historical intelligence increasing opportunity for repeat and ongoing fraud

Solution benefits:
- Create a “single trusted view” across current systems to identify cross system fraud
- Build a cumulative intelligence repository to identify ongoing and repeat attacks

For more information

To learn more about IBM i2 Fraud Intelligence Analysis - Insurance, please contact your IBM representative, or visit: ibm.com/i2software

To learn more about all of the IBM Smarter Cities solutions, visit: ibm.com/smartercities

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