

Fraud Conundrum

ICB Annual Conference
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Insurance Fraud

- **What is Fraud?**
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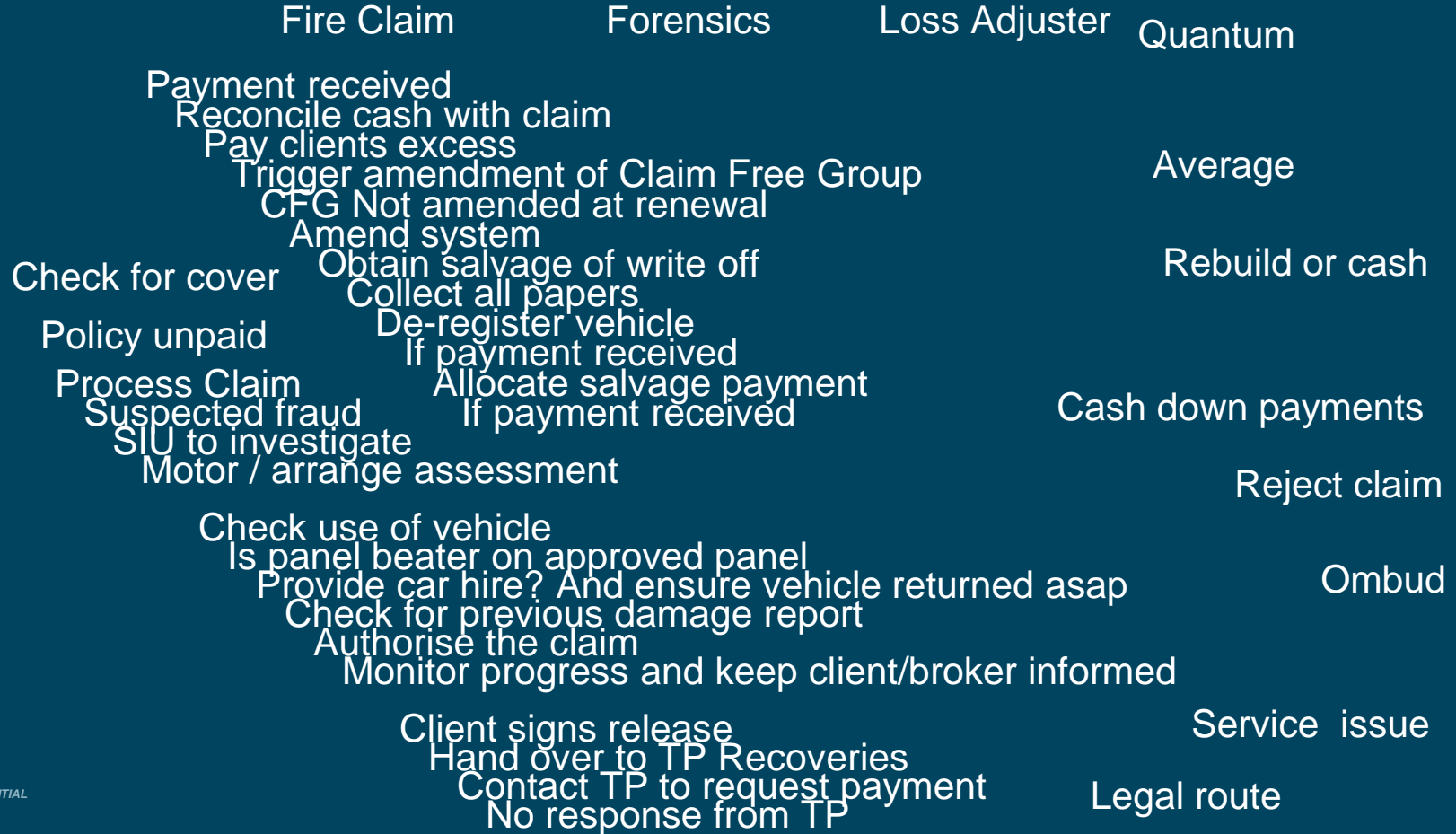
What Is Fraud

Coming home I drove into the wrong house and collided with a tree I don't have.



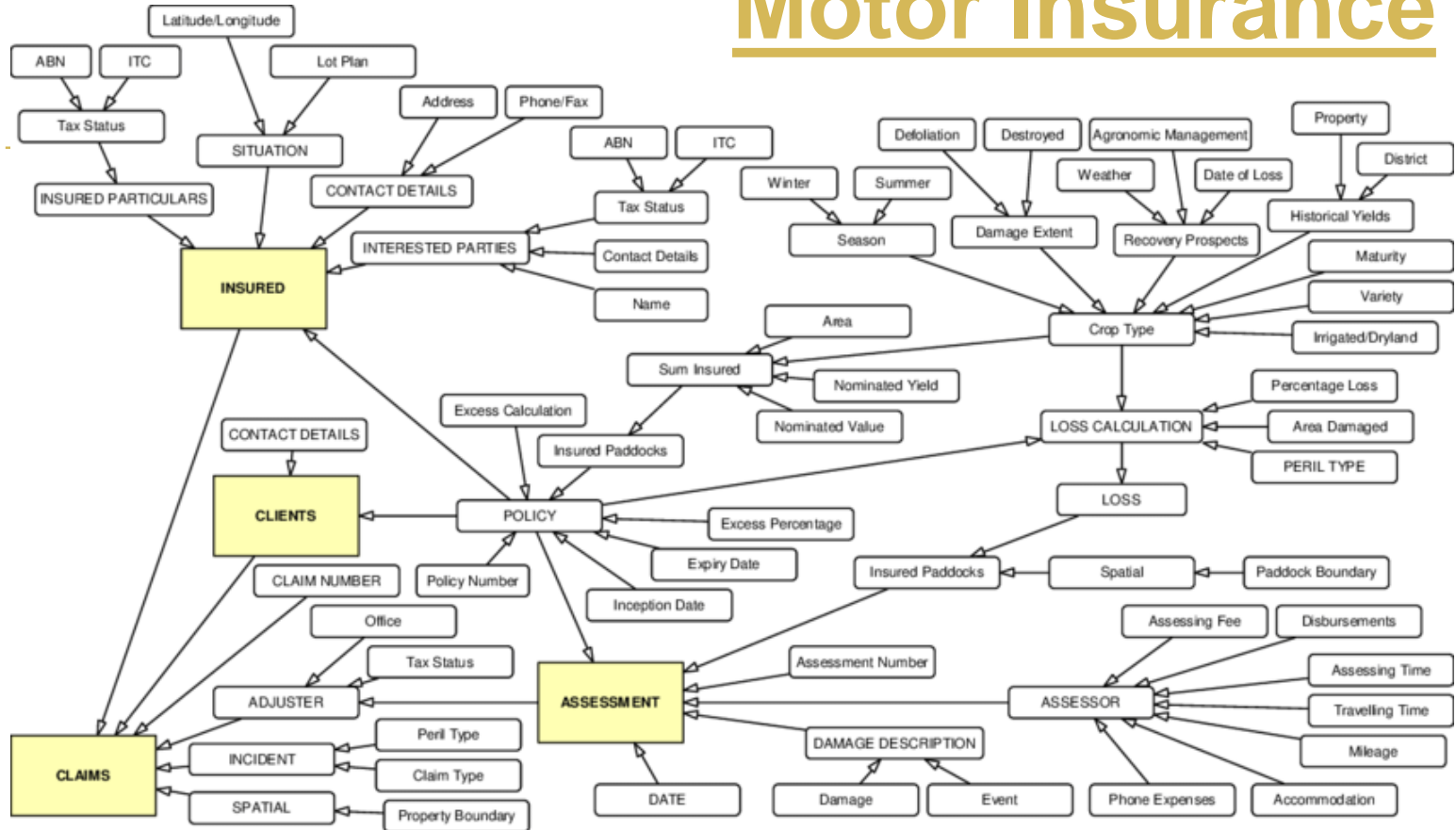


Claim Payments



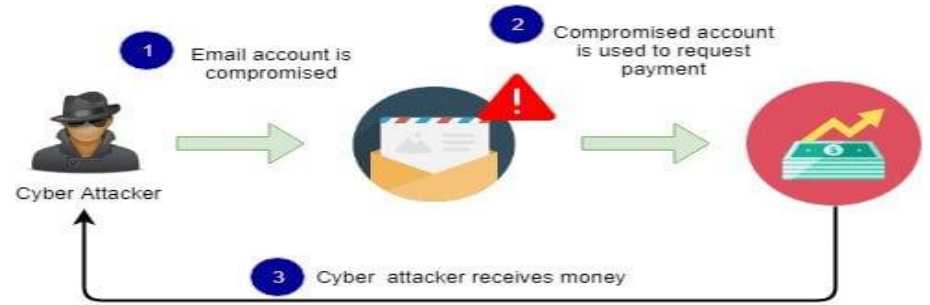
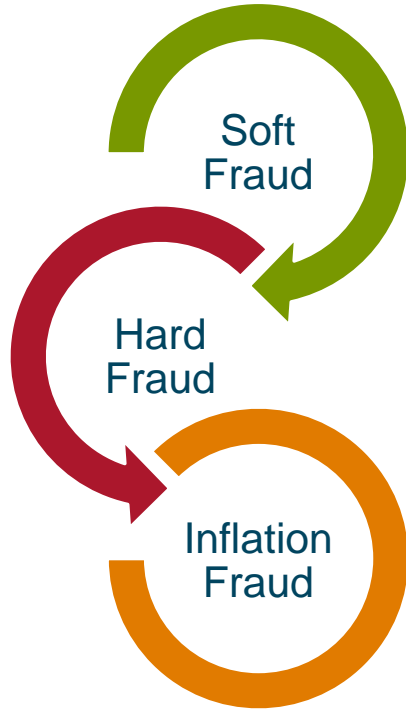


Motor Insurance





What Is Insurance Fraud





Is SA Unique ???

The other car collided with mine without giving warning of its intention.





Is Fraud In South Africa Unique???

SA R6 – R8 Billion
Est 30% of claims
have fraud

USA \$80 Billion
At least \$30 Billion
Est Personal
GB Est £2 Billion

10% of losses
estimated to be
fraudulent





Global Fraud



RISHABH SOFTWARE

FRAUD DETECTED

RISK ALERT

REAL-TIME FRAUD DETECTION SOLUTION FOR BANKING & FINANCE INDUSTRY



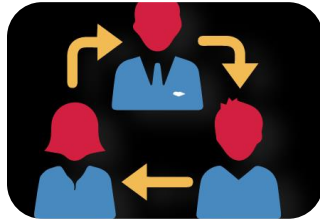


Global Type Fraud

- **Phantom Vehicles (UK 8% Est)**
- **Organised Fraud Rings (UK 15% Est)**
- **Low Speed Impact (30%+ Est UK)**
- **False Slip and Fall claims**
- **False Disability Claims**
- **False Whiplash Claims / UK**
- **Medical inflation or non existent claims with providers**
- **Identity Fraud (14,4m in 2018 US)**
- **Staged Home Fires**
- **Staged Road Accidents (UK Est 7%)**
- **Storm Damage Fraud**
- **Faked Death Claims**
- **Cyber crime (Increased criminal opportunity) 2019 - 165m Sensitive Records exposed**
- **Est losses 2019 \$3,5b**



Our Experiences



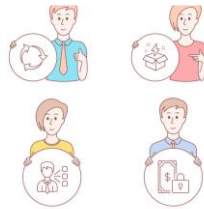
Internal



Customer



Broker



Third Party



Syndicate



Our Experiences

Internal



Recovery Clerk provides his own bank account for recovery payments.



Our Experiences

Customer



Cell phone fraud
case.
Accident Staging



Our Experiences

Broker



Cell Phone Fraud /
Falsifying
Documents



Our Experiences

Third Party



Intercepted email on
Renewal of Broker .
R1.5M



Our Experiences

Syndicate



Paper Vehicle Insured / Stolen



Bryte Claims Verification Unit

Purpose: *Effective Management of Claims Fraud*



Claim Investigation



Fraud Analysis



Protect Our Customers



Zero Tolerance



Claims Verification Unit (CVU) Key Functions

- Provides guidelines to fraud investigation
- Evaluate any reports for investigation justification
- Determine the procedures
- Investigate Fraudulent claims
- Recovery on Fraud Cases
- Law enforcement
- Protection of customer data
- Fraud Education and counter fraud initiatives



Claims Verification Unit (CVU) Stats

- **Fraud Savings in 2019 amounted to +- R67m**
- **Targeting 15% return**
- **By investigating around 8% of all claims**

Savings Related To :

- **Fictitious Claims**
- **Misrepresentation**
- **Non disclosure**
- **Non existence**



Collaboration with ICB

- **Vehicle pounds**
- **Education and Training**
- **Sharing of information**
- **Retention of records and access**
- **Checking of red flag clients**
- **Syndicate Identification and Eradication**
- **Panel Beater Syndicates**
- **Collaborate with SAP Direct ICB benefit +_ 50% of Bryte Saving**



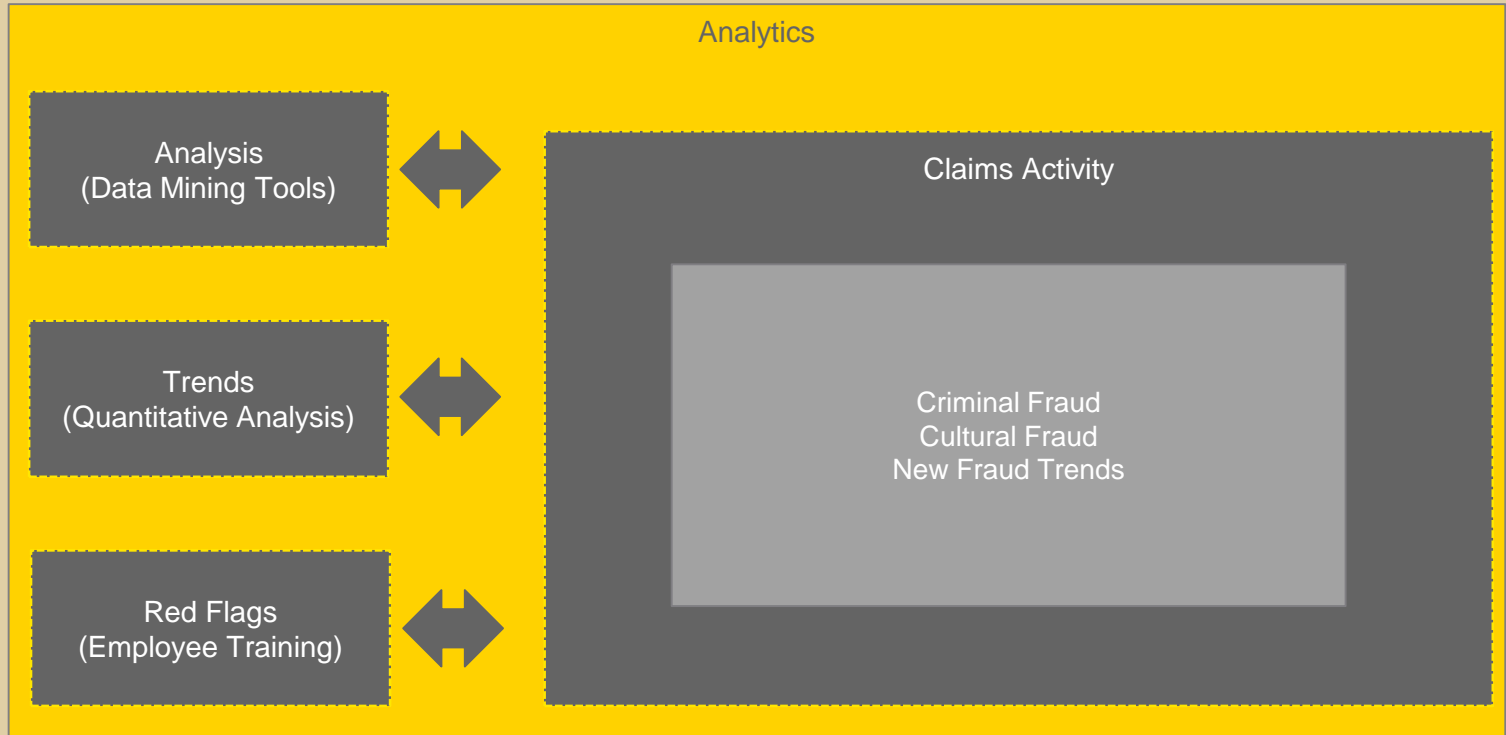
Fraud Detection

Going to work at 7am this morning I drove out of my driveway straight into a bus. The bus was 5 minutes early.."



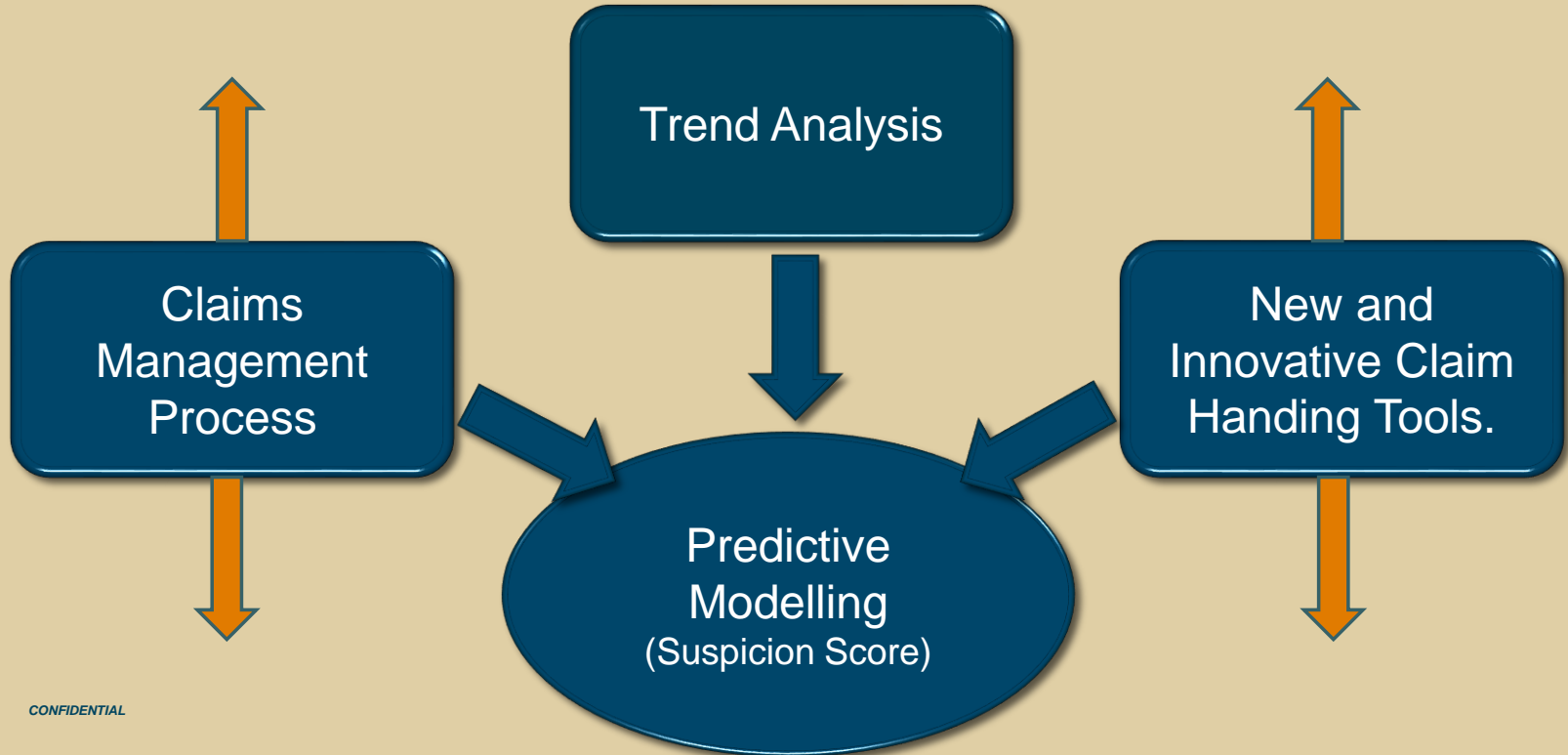


Data Analytics



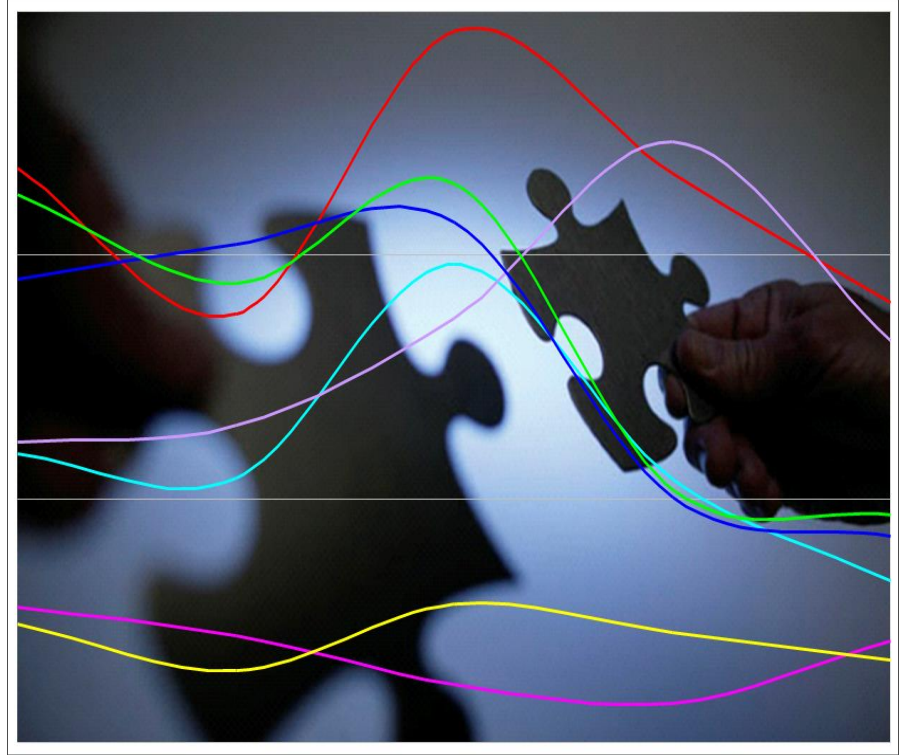


Data Analytics





Finding the right piece???





Foundational Framework

Claims Data Analysis

- File review / MI / Analyse trends

Measurement and Identification Tools

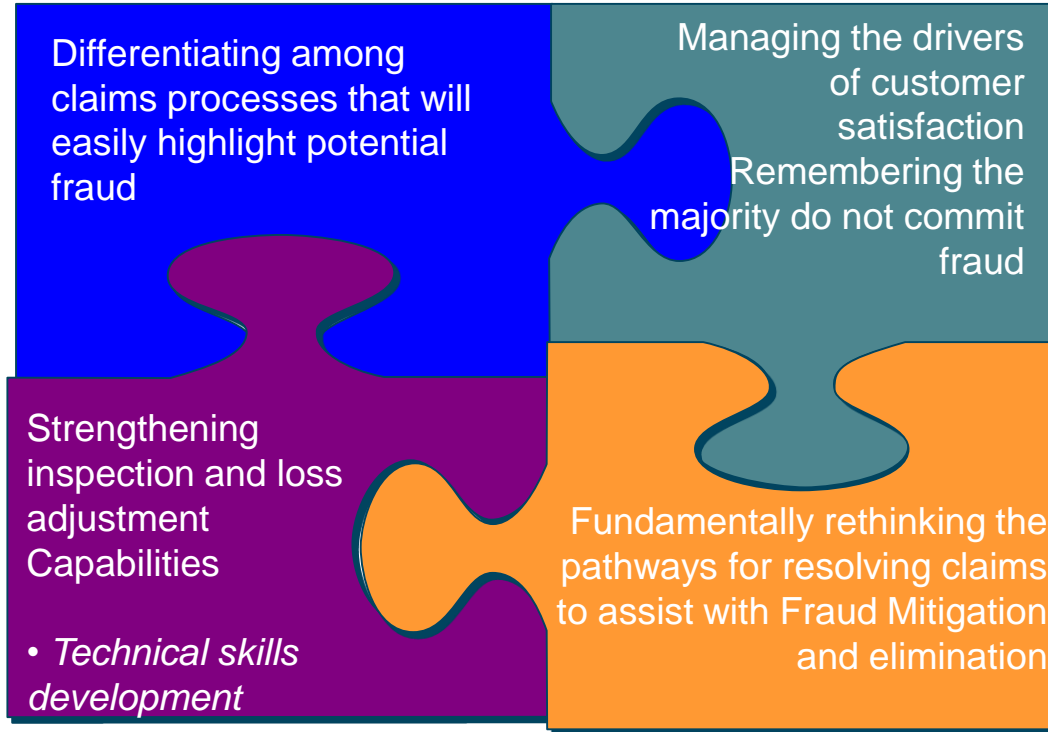
- Accuracy of knowing what to look for and being able to quantify the effect on claims. Recognise and Identify suspicious looking claims

Adding value to customers

- Counter fraud activities should be a protection and benefit for the vast majority of customers



Claims Management





Technology / Analytics / Collaboration