

Rapid returns for the insurance industry with Atos Fraud & Claims Management



The state of play

Insurers are being squeezed from every angle. Profits from financial market investments have fallen in a low-interest rate environment. InsurTechs are exploding onto the scene and grabbing market share. New markets are being created all the time but these are quickly filled by new players,

including GAFA (Google, Apple, Facebook, Amazon) and manufacturers. At the same time, fraudulent claims are on the rise.

The new digital business landscape offers opportunity to agile insurers. It also offers new ways to exploit insurance systems. This is a

lose-lose scenario for insurers and consumers. Companies without a detailed model that incorporates the cost of fraudulent claims into premiums could be losing money when they pay out. Customers lose out when these models do exist, as they are the ones who foot the bill for the fraudsters. So is it any wonder market players are looking inwards?

Fraud and claims management issues at a glance:

- Existing systems detect fraud after cash has been paid out
- The industry average recovered rate is small (close to 1%)

- Revenue loss related to fraud is magnified in a low interest rate environment
- Detailed fraud prevention currently requires high upfront costs and skilled staff
- Growth of web and complex fraud is beyond the usual capabilities

- Increase in dissatisfied customers due to false positives or slow claims processing

Focusing on technical results, knowing what fraud really looks like, and dealing with it before it saps profits have become the new competitive differentiators. Preventing fraudulent claims using detailed data, advanced analytics and full coverage of the

value chain is the way forward. Yet many companies do not have the tools or the data scientists to take on the task.

With **Atos Fraud & Claims Management (F&CM)** you do not have to spend valuable

budget on new systems and claims management models. Instead you can rely on market-specific software and industry expertise to recover as much as 5% of claims in lost revenue and continue to save millions every year thereafter.

A working example:

	As is	Year 1	Year 2
Insurer's fraudulent claims liability (M€/year)	400	408	416
Fraud Management Savings rate	1%	3%	5%
Gross savings (M€)	4	12	21
Integration and service costs (M€)		0,5	0,3
Net savings	-	11,7	20,5

Spot the difference

A low interest rate environment, new competitors, and increasing fraud affect every insurer. But there are fundamental differences within the sector, in particular between the

Health & Protection market and the Property & Casualty market. Each demands its own approach because of the specific differences between fraud cases, model configurations

and the business model. That is why a one-size-fits-all approach will not provide the returns that every executive and shareholder should be expecting.

Differences	Health & Protection	Property & Casualty
Types of fraud	Category falsification to compensate for reimbursement thresholds (e.g. overcharging for spectacle lenses with frames)	Fake injuries (e.g. whiplash) Forged invoices (e.g. from a 'friendly' garage) False accidents (e.g. organized by family members)
Fraud management systems	Relatively new but recognition of the huge potential for savings	Industry-wide maturity but efficiencies in detection and operations required
Product type	Typically guarantees covering specific areas of health - optical, dental, hospital, etc.	General insurance - from motor to home insurance

Adding up the cost

Insurance fraud is a major source of revenue loss and affects product competitiveness by forcing up prices. For these reasons alone, the savings from proactive fraud and claims management are very attractive:



¹Source: Insurance Europe
²Source: ALFA (2015)
³Source: Association of British Insurers

From recovery to ROI

Despite the shift to a customer-centric business landscape, insurers have become emboldened. In the past, asking for consumers' cooperation in fighting fraud risked upsetting them. Now, there are more sophisticated ways of approaching the problem and it is easier to demonstrate the benefits of doing so to consumers.

However, there is a single reason why a high loss ratio persists in the Health & Protection

and Property & Casualty markets: fraud and claims management is complex. That is because existing detection measures are reactive, insufficient for new fraud modeling schemes, and cannot provide the automation capabilities required to ensure more effective and efficient management.

Atos Fraud & Claims Management overcomes these issues to deliver rapid returns. It combines powerful industry-focused

platforms with proven fraud modelling services and low-investment pricing. The impact is quick and compelling:

- Improves your combined ratio by up to 5%
- Delivers ROI in less than a year
- Reduces false positives by 30% to save time spent by fraud teams
- Quickly increases your number of fast-track settlements
- Boosts efficiencies by automating your workflows

Atos has been at the forefront of fraud management and technology innovation for years. Our solutions have been exclusively designed and our partnerships specially selected to match the separate needs of the Health & Protection and the Property & Casualty markets. This equates to significant savings at the implementation stage. With prepopulated and industry-specific red flags, the only time spent optimizing the system is to your customized requirements.

Our business-ready platforms and services offer you everything you need to quickly implement a tailored fraud and claims management system. Simply select your business line - Health & Protection or Property & Casualty - and then rely on Atos to deliver you a rapid return on investment:

- Dedicated business line platforms for end-to-end fraud management using market-specific data management and analytics services.

- Fraud management systems with a proven ten-year track record, servicing 60 major insurance clients.
- Full value chain coverage - from underwriting to claims - with integration directly into existing business processes.

The benefits in full

What do you need to improve your current fraud processes? Whatever your goal, Atos Fraud & Claims Management will not only improve your loss ratio but also support you on your operational efficiency and customer satisfaction journey.

Superior ROI

With Atos Fraud & Claims Management, you do not have to wait to see results. In proof-of-concepts with insurers we have demonstrated ROI within three months. Compared with other offerings, up-front capital investment is marginal and our solution can be ready in weeks.

Better detection

Offering industry-specific fraud software and proven modelling experience, we act as your data scientists. Our high-performance data analytics will help you identify more red flags and fraud risks across your insurance products. Importantly, we give you proactive detection capabilities that are scalable across products and locations as well as the agility to adapt to changing fraud schemes.

Optimized cost base

With false positives down by as much as 30%, you can cut the time wasted analyzing unnecessary data. Giving you a single pane of glass for your entire fraud and claims management processes, you will gain more visibility of the process across the organization. Using automated workflows and Fraud Analytics as a Service, you can also stay in complete control of your management costs.

Greater operational excellence

You will profit from the additional speed of processing provided by models designed specifically for your products, channels and fraud risks. This means you will be able to fast track those transactions you know are not fraudulent. Intuitively designed, you can

embed your new analytical capabilities into existing workflows to develop more robust fraud resilience.

Enhanced customer experience

Fewer false positives, faster claims processing, and the potential to offer connected claims all add up to a better experience for your customers. With more intelligence on every claim, you can use these detailed profiles to inform your go-to-market propositions, transform your processes, and become the customer-centric insurer the market demands.



Combatting complexity and cost

Atos Fraud & Claims Management adds value at every step. From the initial consultation to adapting fraud models to ongoing support, we work with you to ensure you receive the maximum savings possible.

How we work with you



Step 1. We understand

After our initial meeting, our consultants and fraud management experts take the time to get to know your specific business.

They look at your products, channels to market, fraud risk, and models to see where the opportunities lie and then demonstrate proof-of value.

Unlike other providers, we also get to know your business priorities and any existing issues so your rollout does not fail before it begins.



Step 2. We implement

Our data scientists take the key learnings from the business analysis and adapt or create fraud models to be more effective for you and your customer base.

Depending on your area of business, we then configure these models and integrate them into your processes using our Health & Protection or Property & Casualty software.

We introduce a trial phase so you can try out the solution and validate KPIs in line with the use of your own data.

During the deployment phase we scale-up the solution to deliver company-wide benefits having made any adjustments and provided training and change management following the trial phase.

Offered as a Service, you only pay for the software licenses you need.



Step 3. We review

After several months, you should expect to see a return on your investment.

After six months, our specialists come back to track progress.

At this stage we also review each model in line with company or market developments to ensure it is still fit for purpose.

If changes need to be made, we will make them - that way you can be sure your models adapt to ever more sophisticated fraud scams.

Atos Fraud & Claims Management

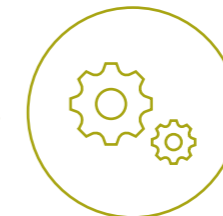
Atos' services

Consulting services



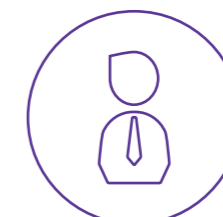
- Opportunity study
- End-to-end business analysis
- Project management

Integration services



- Data mapping
- Configuration
- Solution integration

Industry specific fraud modelling



- Client-focused fraud modelling
- Regular model adjustments

Fraud business process services



- Fraud analytics
- Fraud detection

About Atos

Atos SE (Societas Europaea) is a leader in digital transformation with circa 100,000 employees in 72 countries and pro forma annual revenue of circa € 12 billion. Serving a global client base, the Group is the European leader in Big Data, Cybersecurity, Digital Workplace and provides Cloud services, Infrastructure & Data Management, Business & Platform solutions, as well as transactional services through Worldline, the European leader in the payment industry. With its cutting edge technologies, digital expertise and industry knowledge, the Group supports the digital transformation of its clients across different business sectors: Defense, Financial Services, Health, Manufacturing, Media, Utilities, Public sector, Retail, Telecommunications, and Transportation. The Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and is listed on the Euronext Paris market. Atos operates under the brands Atos, Atos Consulting, Atos Worldgrid, Bull, Canopy, Unify and Worldline.

Find out more about us
atos.net
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Let's start a discussion together

