SHIFT

Customer Story

Helping French Auto Insurers fight claims fraud by organized crime rings

The Situation:

An offshoot of the French Federation of Insurance (FFA), the Agency Against Insurance Fraud (ALFA) supports French insurance companies in their approach to the fight against fraud.

At present, the 320 member association accounts for 100% of the Property & Casualty (P&C) insurance market and 80% of the preventative health care insurance market in France.

As part of an objective in coordinating efforts to dismantle fraud impacting multiple insurance companies, ALFA and its members initiated a project addressing the auto insurance sector in 2015.

Before the project could commence, it was essential to involve the CNIL (Commission Nationale Informatique et Liberté) in order to validate the processes and establish baselines in accordance with the organization's extremely strict requirements regarding the security and protection of personal data. Once CNIL had validated and confirmed ALFA's methodology for processing the data - in particular, anonymization of any Personally Identifiable Information (PII), the project began.
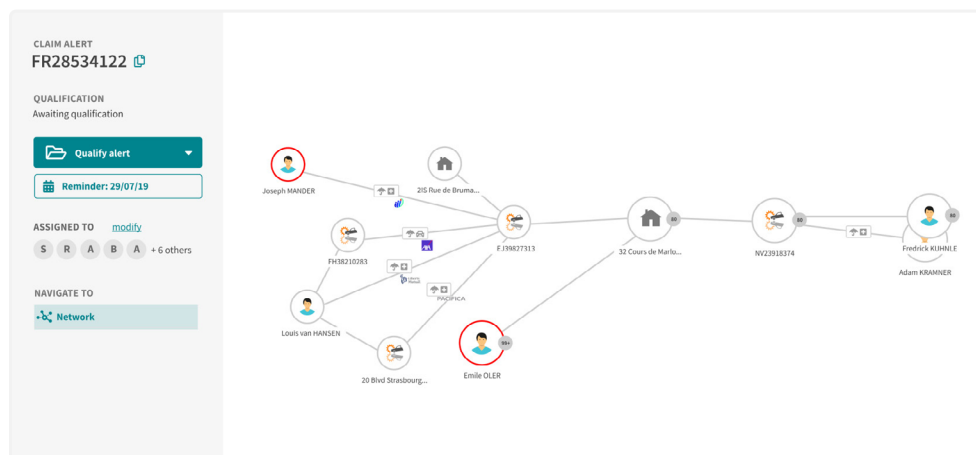
At a glance

Situation
- French insurance association ALFA battles to identify and prevent organized crime rings

Solution
- Shift Claims Fraud Detection

Results
- Analyses over 30% of all French auto insurance claims
- Detects organized fraud across multiple insurers

The Solution:

Shift Claims Fraud Detection, quickly became the preferred option, as it met the requirements set by ALFA in terms of knowledge of the data processed by the insurance companies and capacity to organize and analyze it. According to Maxence Bizien, Director of ALFA, "The great added value of Shift resides in its extremely significant knowledge of the insurers' data, and its capacity regarding the organization and restitution of them."

Four major automobile insurance players wanted to take part in the project from the outset: AXA, Macif, Matmut and Pacifica. These four organizations represent approximately 30% of the French auto insurance industry.

By combining the data from the participating members, Shift Claims Fraud Detection runs the data against a set of six core scenarios, originally defined by ALFA, that are consistently being evaluated and updated based on new information. These scenarios or suspicious variables include policyholders with an excessive number of policies; policies and coverages taken out after the event; the trafficking of wrecked vehicles, and policyholders with multiple total losses. Claims that Shift Claims Fraud Detection identifies as potentially fraudulent are sent to ALFA for further evaluation. If an alert is considered relevant, ALFA transmits it to member organizations.

The Result:

"With Shift, ALFA has created something different for the insurance sector, something that will change the way in which companies collectively approach fraud, enabling them to make considerable reductions in the cost it represents for each one of them," acknowledged Maxence Bizien.

To generate the most value from this initiative, ALFA has set the goal of analyzing more than 50% of all French automobile claims by the first trimester of 2021. This will be helpful in better detecting organized fraud networks and other complex fraud cases, something which directly corresponds to the heart of ALFA's mission.

All generated alerts are initially validated by ALFA. Only alerts deemed highly suscipious and involved at least two insurers are subsequently passed on to the insurance companies. The project is currently experiencing a hit rate of 57%, a rate that is expecetd to rise signficantly as more insurers join the project.

The success of the project is now highly respected by other similar organizations across the globe, especially with regard to the complexity of the program related to the treatment of personal data and adherence to strict privacy regulations.

> **"**
> **With Shift Claims Fraud Detection, ALFA has created something different for the insurance sector, something that will change the way in which companies collectively approach fraud. ""**
> Direct Line Travel Insurance (UK)

SHIFT

About Shift Technology

Shift Technology delivers the only AI-native fraud detection and claims automation solutions built specifically for the global insurance industry. Our SaaS solutions identify individual and network fraud with double the accuracy of competing offerings, and provide contextual guidance to help insurers achieve faster, more accurate claim resolutions. Shift has analyzed billions of claims to date, and is the Frost & Sullivan 2020 Best Practices Award Winner for Global Claims Solutions for the Insurance Industry.

Learn more at **www.shift-technology.com**