

HUGIN FRAUD DETECTION MANAGEMENT



Advanced Predictive Analytics Solution for Improved Fraud Detection



*The Hugin FDM solution
provides insurers with advanced,
predictive fraud capabilities
for faster, more proactive
fraud detection and prevention*



The Goal

Less Fraud

Increased Efficiency

Minimized Claims Costs

The Challenge

Insurance associations in Europe and the USA estimate that 10-15% of claims involve fraud. This costs insurance companies billions each year and drives up the price of premiums. With claims payouts and expenses accounting for a majority of an insurer's expenditure, implementing an advanced fraud detection solution in claims is an effective way to reduce fraud and achieve significant cost savings.



Leading insurance companies in Scandinavia now use the HUGIN FDM system. The results:

- Consistent, reliable fraud evaluation
- Early identification of suspicious and high-risk claims
- Increase in detected fraud
- Reduction of "false positives" for highly improved SIU efficiency
- Fast ROI



The Solution

HUGIN Fraud Detection Management

HUGIN FDM is an advanced predictive analytics solution that provides insurance companies with automated fraud detection capabilities during claims handling. Developed using historical data and the

expertise of claims and fraud professionals, HUGIN FDM helps insurers identify fraud and improve claims handling efficiency, for a stronger, more proactive defence against fraud.

Flexibility

The HUGIN FDM is an add-on solution that integrates seamlessly into an insurer's existing claims platform, for example as a batch system, or as a real-time fraud detection system. The solution can be developed using in-house resources after training in the HUGIN tool, so insurers can get started building an intelligent fraud system without delay. Fraud models can be modified and extended over time by system users without having to involve IT.

Depending on data availability, an initial model can be developed after 1-2 days.

Fast, Consistent Claims Evaluation:

The HUGIN FDM pools all fraud data and expertise into a single system, ensuring consistency and reliability in claims evaluation. Afterward valid claims can be fast-tracked for settlement, and high-risk claims passed on for further investigation.

Features

HUGIN FDM

- Combines data and knowledge of experts
- Computes with missing observations
- Calculates fraud probability in real time
- Integrates easily into claims systems
- Intuitive graphical communication tool
- Models are easy to modify and extend
- Changes can be made by system users without involving IT

Improved SIU productivity:

The experience of our customers has shown that the HUGIN FDM leads to more efficient use of SIU resources. It improves the quality of the cases referred for investigation, significantly reducing the rate of "false positives" and increasing hit-rate accuracy for highly improved investigator productivity.

Why Choose HUGIN FDM?

Unlike traditional BI applications that are based on historical data alone, the HUGIN FDM combines historical claims and customer data and expert knowledge in one system. A fraud detection model based on this combination provides the most reliable predictions possible, and makes the HUGIN FDM one of the most intelligent decision support tools for fraud detection on the market.

Intelligent Decision Support Technology

The HUGIN FDM is based on Bayesian networks – probabilistic graphical models that enable efficient decision support under uncertainty. Powered by sophisticated statistical algorithms, the HUGIN FDM decision engine can make accurate predictions about fraud even when data is missing or uncertain. The fraud intelligence gained from claims evaluation can be fed back into the FDM system to ensure it is always updated with the latest fraud insight for maximum effectiveness.

Development and Implementation Support

HUGIN Expert has extensive experience helping insurers develop and deploy fraud detection models, and delivers the products, training and support necessary to develop and implement the HUGIN FDM solution.

HUGIN FDM analytics – More than just fraud

HUGIN FDM predictive analytics can be used in other key insurance areas to boost efficiency and profitability, for instance, at point of application and during scoring in closed file review.

About HUGIN Expert

HUGIN EXPERT A/S is a leading provider of advanced software tools for decision making under uncertainty. For over 20 years international clients in the private and public sectors, including Fortune 500 companies and premier research labs, have used advanced predictive analytic software from HUGIN to turn business data and expertise into knowledge management solutions for smarter and more efficient decision making.

“We designed HUGIN FDM to give insurers maximum flexibility and control. Using HUGIN they can develop a system at their own tempo with capabilities that can meet their changing needs.

HUGIN fraud models are easy to update and extend, and changes can be made in-house which ensures full control over fraud detection policy and keeps costs under control. ”

- ANDERS L. MADSEN, CEO, HUGIN EXPERT

Some of our customers

CODAN, Trygg-Hansa, Nykredit, Himmerland Forsikring, CM-CIC, Targo Bank, Bradesco Bank, UniBanco, Pensam, National Australian Bank, OCBC Bank, Banca Popolare De Sondria, Deloitte, DaimlerChrysler, Siemens, Volkswagen, Astra Zeneca, Boeing, HP, Lockheed Martin, KCC, NASA, P&G, Sandia, Sentrana, Motorola, BBC, DSTL, Rolls-Royce, Shell, Unilever, Chevron-Oronite, Mitsubishi, Toyota, Toshiba, EWOS, DNV, Farvandsvæsenet, Københavns Energi, SSPA, Samsung, GSK, COWI, DSTL



HUGINEXPERT

The leading decision support tool