

Date: 29.7.2020

Publication: Express Computer.in

[A marriage of data analytics, forensics and field investigation can nab insurance frauds](#)

Insurance companies have started using data analytics, AI, ML and forensics in solving fraud cases

By Abhishek Raval | Last updated Jul 29, 2020



{L-R} Sanjiv Dwivedi, Head - Investigation & Loss Mitigation, Bajaj Allianz General Insurance; Viswas Srivastava, Vice President & Head (Legal), Shriram General Insurance; Rakesh Jain, CEO, Reliance General Insurance; Ajay Jadeja, Senior VP, Legal Claims, and Investigation, Digit Insurance

Frauds has always been an irritant for the Indian Insurance Industry. The genuine customers have to suffer due to the fraudulent claims however an emergence of new age technology tools have proved highly effective in picking the suspects and then finally identifying fraudulent claims.

Frauds at times, is a game of collusion between various stakeholders like the customer, employee, police officer, agents, lawyers and other stakeholders. There are groups, who invest in this activity to wrongfully gain from the insurance parties.

The frauds in the general insurance industry happen at three levels – the customers, the intermediaries, which can be the hospitals, garages, agents, etc and lastly the employees of the insurance company. “A collusion between either of these parties is responsible for over forty percent of the frauds. In the motor insurance space, imposter scam is a widely used technique,” says Sanjiv Dwivedi, Head – Investigation & Loss Mitigation, Bajaj Allianz General Insurance. It can be imposter of a person or vehicle, for example, a driver is implanted instead

of someone else who was driving without a driving license; it is also done to avoid any police hassles. At times, vehicles are implanted, where the number of the vehicle cannot be identified.

Data analytics is the single largest technology piece, which is coming at the rescue of the frauds and loss mitigation department. However “A combination of data analytics, field investigation and forensics will give the best results to solve fraud cases,” says Dwivedi. The company has hired doctors, former police officers, lawyers and other subject matter experts in the investigation and loss mitigation department. They along with their experience and the power of predictive analytics are able to detect and solve fraud cases. As a part of data analytics, there are various rule engines that guide these experts to solve cases. The company has created an accident reconstruction model, for example, if a car has hit the tree at 100 kmph, then the model will make presumptions on a scientific basis on the kind of damage that can happen to the vehicle and the driver. It is then matched with the claims made by the driver. Similarly, the company also employs a medical and corrosion reconstruction model. A fire forensic tool is also used in fire related insurance cases.

During the Corona period, there are companies who are selling the products and setting the factory unit on fire with empty boxes and then claiming for fire insurance. The fire forensic tool can catch such frauds. “We have also been doing audio forensics. This technology is leveraged when the claimant forges himself to be an insurance agent, who is asking for a bribe,” informs Dwivedi.

Digit Insurance has built innovative solutions through technology to help prevent paying any such fraudulent cases, as this reduces the resource pool of the hundred other genuine customers. “We use image analytics, AI, ML to tackle fraud management. We also personally do checks, background verifications, profiling of claimants. In one such case, in front of the Delhi High Court, we presented our evidence and our methodology of how we could track if a driver was there in the car at the time of the accident, just by the mobile number. The network operator through the tower location can access the location of the user and can verify the location of the user at any time. This was considered as a benchmark fraud management methodology and is widely accepted across the industry for the same,” says Ajay Jadeja, Senior VP, Legal Claims, and Investigation, Digit Insurance.

Safety procedures have been created for genuine customers to ensure they do not make them suffer with unnecessary checks that would trap the fraud cases. “Which is why we have a completely paperless claims process, audio claims, smartphone enabled self-inspection and pre-inspection apps, which our customers would relish. Additionally, we have Image analytics which assist us to decipher the damages i.e. in cars, which quickens the claims process,” says Jadeja.

There are times when a particular victim is seen claiming from various companies for the same injury. Other frauds include vehicle or driver implants. Sometimes the fraudsters also indulge in the manipulation of the govt issued documents, creating fake certificates for disability and hospital records or exaggerated bills. Certain fraudsters also fabricate insurance policies to make false claims.

There are also a few organized gangs operating, commonly known as Ambulance chasers who follow patients who have met with an accident to lure their families with some benefits for making out a false or exaggerated claim. "Today, when the world is going through a complete economic slowdown, these frauds have also motivated certain people who would chase easy money," says Rakesh Jain, CEO, Reliance General Insurance.

Technology today has become an integral part to detect and eradicate the fraudulent misrepresentations. In the insurance space, use of various Analytical tools, Hybrid models have been created to identify genuine vs suspect claims. "Other techniques like extensive use of social media and Medico legal experts ensure zero tolerance of frauds. High tech tools used to re-create accidents which are commonly known as Accident Reconstruction tools are also designed to ensure the manner and narration of damages is genuine," informs Jain.

Shriram General Insurance has empaneled specialized advocates and investigators who have expertise in the subject matter & who are considered as partners and in any suspected case they have all the freedom and authority to investigate.

The company has Identified some fraud triggers such as delayed FIR against unknown vehicle in both category if claimant, owner and driver belongs to same caste, same village and punch witnesses and sureties belong to the same caste, then further investigation can be done on verification of treatment papers/medical bills and getting the original bills.

A NOVA software has been created, where all minute details are being captured by which a huge data bank is created which helps in data analysis and detection of fraud cases. "We have a robust DMS. IT systems help in detecting duplicate claims, multiple claims on a single vehicle, one driver involved in many accidents. Same eye witness appearing in many accidents at different locations. We have also developed an advocate mobile application which helps in communication and updating of required information for settlement and timely addressing fraud related issues, states Viswas Srivastava, Vice President & Head (Legal), Shriram General Insurance.