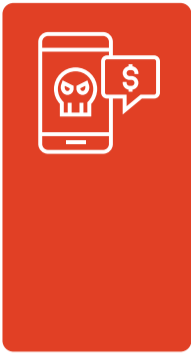


Online Insurance Fraud Complexities



Annual Fraud Costs to US Consumers

\$80B

Claim Costs



Up to 20% of claims costs for US and Canadian insurers are from scams

Coalition Against Fraud, "By The Numbers: Fraud Statistics" <https://www.insurancefraud.org/statistics.htm>

Insurance Fraud Increases

iovation research, Jan 1, 2015 to Dec 31, 2018

First-party application

False application for a policy

516%

First-party claim

False application for a fictitious claim

271%

Third-party application

Imposter broker sells fake or forged policies

139%

Third-party claim

Imposter broker applies for a fictitious claim

63%



User Experience

65%

65% of insurers express concern that fraud prevention technology degrades user experience

Forrester Consulting, "Insurers: Strike The Right Balance Between Fighting Fraud And CX" <https://m.transunion.co.uk/media/3854625/transunion-insurance-fraud-ttp.pdf>

Fraud Challenges

iovation and TransUnion protect and improve the entire customer journey

- Application fraud** : Criminals create accounts using stolen personal information, fake details or a combination of both
- Ghost broking** : Fraudsters purchase insurance with false details or create false documents that appear to come from legitimate providers
- Account takeover** : Scammers gain access to policies in order to steal sensitive information or route claims payments to themselves
- Bad debt** : Insurers provide coverage for a period of time without receiving payment
- Claims fraud** : A claimant invents or exaggerates a claim
- Contact center** : Fraudsters use high-pressure social engineering and spoofing technology to take over or create new policies

Consumers Shifting to Prefer Online

Significant percentage of younger consumers say they are more likely to choose insurers who provide online and mobile experiences

Gen Z

25%

Millennials

29%

Mintel Reports, "The Insurance Purchase Decision - US - June 2019" <https://reports.mintel.com/display/919350/>