THE DATA COMPANY

YOUR DATA | OUR EXPERTISE

NAVIGATING FRAUD CHALLENGES TOGETHER

DataWalk

GRAPH ANALYTICS PLATFORM USING AI & ML TO SOLVE FRAUD CHALLENGES

**SIMPLIFYING COMPLEX DATA
FOR SMARTER BUSINESS DECISIONS**

THE THREE CRITERIA OF FRAUD:
PRESSURE, OPPORTUNITY, & RATIONALISATION

Fraud is not an isolated event. It is the result of a complex interplay of factors that converge to create the perfect environment for dishonest behaviour to occur. At the heart of this process are three key criteria: pressure, opportunity, and rationalisation.

PRESSURE: The first criterion for fraud is pressure. This refers to the external or internal factors that drive an individual to commit fraud. It could be financial stress, personal problems, or workplace issues. Whatever the source, pressure creates a sense of urgency that makes fraud seem like the only option.

OPPORTUNITY: The second criterion for fraud is opportunity. This refers to the conditions that enable an individual to commit fraud without being caught. It could be a lack of internal controls, a weak compliance program, or a culture of tolerance for unethical behaviour. Whatever the reason, the opportunity provides the means to commit fraud without fear of consequences.

RATIONALISATION: The third criterion for fraud is rationalisation. This refers to the cognitive process by which an individual justifies their fraudulent behaviour to themselves and others. It could be the belief that the fraud is victimless, that they deserve the money, or that they will pay it back later. Whatever the reasoning, rationalisation helps the individual to justify their actions and avoid feelings of guilt or shame.

By understanding the three criteria for fraud, organisations can take steps to prevent and detect fraudulent behaviour before it causes serious harm.

THE FRAUD TRIANGLE

PRESSURE
- Motivation or incentive to commit fraud.
- Financial, emotional, addiction...

OPPORTUNITY
Ability to carry out misappropriation.
- Weak internal controls
- Ineffective monitoring of controls
- Assets susceptible to fraud

FRAUD

RATIONALISATION
Personal justification of dishonest behaviour.
- "I'll pay it back."
- "I deserve a pay raise."
- "It's for a good purpose.

CUSTOMER FRAUD PROBLEMS WE HAVE SOLVED

FIRST NOTIFICATION OF LOSS (FNOL)

KNOW YOUR CUSTOMER (KYC)

ANTI MONEY LAUNDERING (AML)

QUOTE AND POLICY APPLICATION (POS)

CLAIMS FRAUD & INVESTIGATION

FRAUD SOLUTIONS

SHALLOW FAKES

PERSONAL IDENTITY VERIFICATION

LOAN UNDERWRITING PROCESS

CATTLE IDENTITY

LOAN ORIGINATION

First Notification of Loss (FNOL): We have developed an advanced system that uses AI and machine learning to detect and prevent fraudulent claims at the earliest stage of the claims process.

Shallow Fakes: Our state-of-the-art technology can identify shallow fakes and other types of fraudulent content in real-time, helping to protect your business and customers from potential harm.

KYC (Know Your Customer): Our comprehensive KYC solution verifies customer identity, checks against watchlists, and detects potential fraud to help ensure regulatory compliance and reduce risk.

Personal Identity Verification: Our advanced biometric technology can verify customer identity quickly and accurately, helping to prevent fraud and ensure a seamless customer **experience.**

AML (Anti-Money Laundering): Our AML solution helps to identify and prevent money laundering activities by detecting suspicious transactions and flagging potential risks.

Loan Underwriting Process: Our automated underwriting solution streamlines the loan application process while also identifying potential fraud risks, helping to reduce operational costs and improve decision-making.

Quote and Policy Application (POS): Our POS solution is designed to prevent fraud at the point of sale by verifying customer identity and checking against known fraud risks.

Cattle Biometrics: Our cutting-edge cattle biometric technology helps livestock farmers to track their herds, prevent theft, and ensure animal welfare.

Claims Fraud and Investigation: Our fraud detection and investigation solution uses advanced analytics and machine learning to identify and investigate potentially fraudulent claims, helping to reduce losses and protect your business.

Loan Origination: Our loan origination solution automates and streamlines the lending process, while also detecting and preventing potential fraud risks to improve loan portfolio quality and reduce losses

FRAUDULENT INSURANCE CLAIMS: THE CHALLENGES AND RISKS

Fraudulent claims can pose significant financial risks to insurance companies, leading to higher premiums for honest policyholders and putting the stability of the insurance market at risk. To combat this threat, it is essential to understand the different types of fraudulent claims and the challenges they present.

FRAUDULENT CLAIMS

SYNDICATED / ORGANISED CRIME

IDENTITY THEFT

FRAUD CHALLENGES

CYBER CRIME

APPLICATION FRAUD

DOCUMENTATION

FRAUDULENT DISABILITY CLAIMS:

Disability insurance provides financial support to individuals who are unable to work due to illness or injury. Unfortunately, this type of insurance is also vulnerable to fraudulent claims. Some of the common fraud challenges associated with disability claims include:

- **Information Withholding:** Claimants may withhold information about their pre-existing conditions or medical history in an attempt to qualify for disability benefits.
- **Inflated Claims:** Claimants may exaggerate their symptoms or the severity of their condition in an attempt to receive a higher payout.
- **Murder for Money:** In extreme cases, individuals may resort to murder or other criminal activity in order to collect on a disability insurance policy.

FRAUDULENT INSURANCE CLAIMS: THE CHALLENGES AND RISKS

FRAUDULENT INCOME PROTECTION CLAIMS:

Income protection insurance is designed to provide financial support to individuals who are unable to work due to illness, injury, or other circumstances. Some of the common fraud challenges associated with income protection claims include:

APPLICATION FRAUD:

- Individuals may provide false information on their application in order to qualify for coverage. This can include:

  - **Advisor Commissions:** Insurance agents or brokers may receive commissions for selling policies, which can incentivise them to encourage individuals to lie on their applications.
  - **Phantom Policies:** Fraudsters may create false insurance policies or make payments on non-existent policies in order to make fraudulent claims.
  - **Information Withholding:** Individuals may withhold information about their health, occupation, or other factors in order to qualify for coverage or receive a higher payout.
  - **Identity Theft:** Fraudsters may use stolen identities to apply for income protection insurance or make fraudulent claims.
  - **Syndicated/Organised Crime:** Criminal organisations may use sophisticated schemes to defraud income protection insurance providers.

Some of the common fraud challenges associated with other types of insurance include:

- **Cyber Crime:** Cyber criminals may use phishing, hacking, or other techniques to gain access to insurance information or to make fraudulent claims.
- **Documentation Fraud:** Fraudsters may create false documents or alter genuine ones in order to make fraudulent claims.
- **Non-insurable Interests:** Individuals may take out insurance policies on people or assets that they have no legitimate interest in, in order to collect payouts in the event of a loss.
- **Paper Babies:** Fraudsters may create false identities for non-existent individuals, in order to apply for insurance policies or make fraudulent claims.
- **Staged Accidents:** Criminals may stage accidents or events in order to make fraudulent claims on their insurance policies.
- **Walking Dead:** Criminals may use the identities of deceased individuals to make fraudulent claims on their insurance policies.

DataWalk

Our solution, **DataWalk**, is designed to help insurers detect, investigate, and prevent fraud more effectively. DataWalk is a powerful technology platform that leverages the latest advances in artificial intelligence, machine learning, and data analytics to identify suspicious patterns, anomalies, and behaviour in insurance claims data.

With DataWalk, insurers can:

- **Detect fraud early:** DataWalk uses advanced algorithms to analyse claims data in real-time, flagging any inconsistencies, discrepancies, or red flags that may indicate fraud. This allows insurers to take immediate action to investigate and prevent fraud before it can cause more harm.
- **Investigate fraud thoroughly:** DataWalk provides insurers with a comprehensive suite of investigative tools, including advanced data visualisation, link analysis, and social network analysis. This enables investigators to quickly identify the root cause of fraud, trace its origins, and uncover any accomplices or networks involved.
- **Prevent fraud proactively:** DataWalk enables insurers to take a proactive approach to fraud prevention, by identifying and addressing potential fraud risks before they can materialise. This helps insurers to reduce their exposure to fraud, minimise losses, and protect their reputation.

At The Data Company, we believe that fighting insurance fraud is a collective effort. That's why we partner with stakeholders to share best practices, exchange information, and collaborate on fraud prevention initiatives.

Together, we can leverage technology to navigate fraud challenges more effectively, protect policyholders, and ensure a fair and sustainable insurance industry.
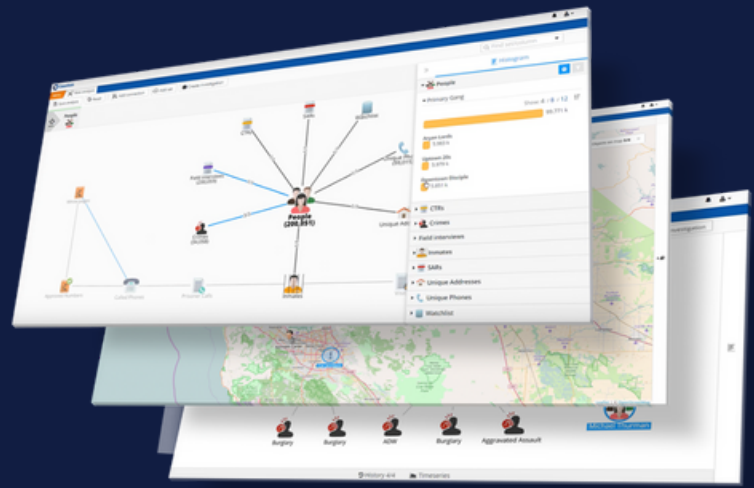
Anti-Fraud Software

Automatically identify potential crime rings and other suspicious behavior to reduce fraud losses.

DataWalk

DataWalk is an AI and ML enabled platform delivering fraud detection, triage and investigation capabilities which enables you to identify more suspicious claims, events and entities.

MORE ABOUT DATAWALK

DataWalk is the latest **'next-generation'** and **market-leading** fraud detection technology.

It is a **multi-user platform** for **collaborative** and **intelligence-led** investigations.
Data is **centralised** and can be automatically imported from databases or manually from spreadsheets. All imported data is open for normalisation and data cleansing after import and the process can be manually reviewed or automated.

Featuring **patented data segmentation architecture,** organisations can rapidly connect billions of records from numerous large datasets into a single repository, producing fast and flexible results.
A DataWalk-powered organisation can link all gathered data together in one visual database, and seamless connections between datasets can efficiently save and deliver critical analyses, reports, and case summaries to clients at a moment's notice.

DataWalk excels in **external data source integration**, combining internal databases with external connections flawlessly to build **link charts** and **maps** to cross-reference and identify suspicious and criminal activities.

Even when no criminal activities have taken place yet, advanced machine learning techniques can be configured to generate proactive notifications and alerts the moment suspicious activity is detected.

Through a constantly growing app library, many AI algorithms are deployable, including machine learning techniques such as text analytics.

IDENTIFY AND INVESTIGATE SUSPICIOUS ACTIVITY

The fastest way to fuse any siloed data and discover trends, patterns, networks, and connections.

GRAPH TECHNOLOGIES

DataWalk is a **scalable**, no-code, graph analytics software platform.
DataWalk's **graph analysis foundation** enables you to connect all your data, understand structures, and identify patterns in large, highly connected datasets through an intuitive knowledge graph.

DataWalk effectively **supplements case management** and **monitoring systems**, weeding out **false positives** and improving the number of successful escalations.

Graph is all about identifying and analysing relationships and connections between data elements, which can very effectively address key regulatory requirements that otherwise are very difficult to handle. Combining graph with Artificial Intelligence enables you to identify hidden relationships and other suspicious behaviours with remarkable accuracy.

Graph technologies are game-changers in this fight of combating fraud and can provide new capabilities and compelling benefits to help organisations in eliminating frauds of a different nature.

- Fraud detection and investigations
- Financial crimes 360
- AML (Anti-Money Laundering) alerting
- and investigations
- Dramatic reduction of AML false positives
- 360-degree KYC analysis
- Customer Due Diligence
- AI/Machine Learning
- Other non-investigative sorts of applications
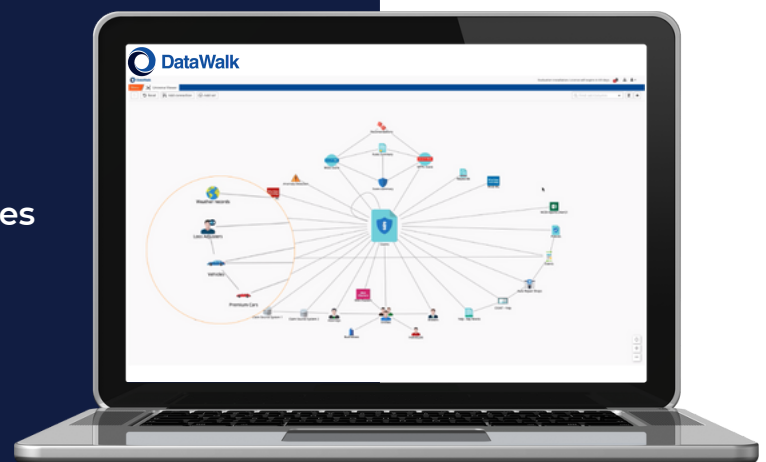
INTELLIGENCE ANALYSIS
Connect all your data & quickly generate quality intelligence

SUPPLEMENTAL AML ALERTING
Quickly comply with challenging regulations

FRAUD DETECTION
Find suspicious patterns and networks across all your data

LEVERAGING TECHNOLOGY TO NAVIGATE FRAUD CHALLENGES TOGETHER

At The Data Company, we understand that insurance fraud can be a major problem for insurers, policyholders, and society as a whole. Fraudulent claims can lead to higher premiums, reduced coverage, and increased distrust in the insurance industry. That's why we take fighting insurance fraud very seriously.

We are committed to helping our clients prevent and detect fraud by leveraging the latest advances in technology and analytics.

We also understand the risks and challenges associated with fraudulent insurance claims. That's why we offer a range of cutting-edge solutions to help insurance companies detect and prevent fraudulent activity, from advanced analytics and machine learning to biometric verification and identity management.

With our help, insurance providers can reduce losses, protect their customers, and safeguard the integrity of the insurance market.

> "At The Data Company, we are committed to helping insurance companies combat fraud and protect their businesses from the damaging effects of fraudulent activity. With our advanced technologies and deep expertise in the insurance industry, we are dedicated to delivering innovative solutions that address the complex and ever-changing nature of insurance fraud. We understand the critical role that fraud prevention plays in maintaining the integrity of the insurance industry, and we are proud to be a trusted partner to our clients in this important endeavor."

Kali Bagary, CEO The Data Company Technologies Limited

United Kingdom
England
1st Floor, Talbot House,
17 Church Street,
Rickmansworth, Hertfordshire,
WD3 1DE, United Kingdom

South Africa
Johannesburg
Block B1 & B2 El Ridge Office Park
100 Elizabeth Road,
Bartletts
Boksburg, 1459
Gauteng, South Africa

South Africa
Cape Town
Building B2, The Vineyard Business Park,
0725 Adam Tas Street,
Devon Park,
Stellenbosch, Cape Town, 7600
WP, South Africa

UK +44 (0)1494 546089
SA +27 (0)66 483 2004

canwehelp@thedatacompany.com

https://www.thedatacompany.com

in @The Data Company Technologies

f @The Data Company

𝕏 @DataCompanyTech

@thedatacompanytech