

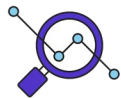
SHIFT

Customer Story

Top 5 auto insurer stops fraud at the door with Underwriting Risk Detection

The situation

In the competitive world of personal auto insurance, customer experience is critical to success. A top 5 P&C insurer in the U.S. knew they couldn't let hidden fraud and risk put customer satisfaction in jeopardy, so their fraud task force launched an initiative to identify innovative fraud prevention solutions for Underwriting. As a Shift Claims Fraud Detection customer since 2021, the insurer was well aware of the power of advanced AI in detecting claims fraud. However, the Insurer's fraud task force and Underwriting teams were focused on:



More efficient risk detection:

The insurer was looking to stop more fraud and hidden risk on new policies while maintaining current Underwriting staff levels



Fraud networks:

The insurer recognized that misrepresented auto policies sold on to unsuspecting consumers by "ghost brokers" could jeopardize customer satisfaction and their brand reputation, while resulting in claims with an average 500% loss ratio

The Underwriting leaders also knew that they needed a solution that could stop fraud and hidden risk before costly claims were paid. That meant daily analysis during the new business "free look" period was critical, while still maintaining the insurer's underwriting process for fraud and misrepresentation review to ensure customer satisfaction. That way, the insurer could adjust the risk tier, cancel fraudulent policies, or intensify account monitoring.

The solution

With the combined expertise of the Insurer and Shift, a proof of concept was initiated on 2.8 million auto policies. Shift's data scientists optimized and deployed AI detection models for underwriting risk, while Shift's Underwriting subject matter experts proposed investigation guidelines and workflows.

Shift's implementation included:



Misrepresentation detection:

Risk detection algorithms specifically designed to analyze new policies in order to catch fraud and misrepresentation during the "free look" period



Ghost broking and network detection:

Shift implemented powerful network analysis AI to uncover patterns of seemingly "normal" policies connected to ghost brokers



Workflow optimization:

Shift's Underwriting experts worked with the insurer to integrate Underwriting risk detection into their existing workflows, with 100% explainability and complete audit trail, so that the insurer could stop fraud with their existing Underwriting team.



Unified fraud detection across policy and claims:

With both Underwriting Risk and Claims Fraud Detection implemented, Shift's entity resolution AI uncovered policyholders using fraudulent information to hide prior claims history

The result

Shift's Underwriting Risk Detection generated more than \$15 for every new policy in incremental prevented losses, projected at more than \$30M USD in underwriting mitigation annually, all achievable while maintaining Underwriting staff levels.

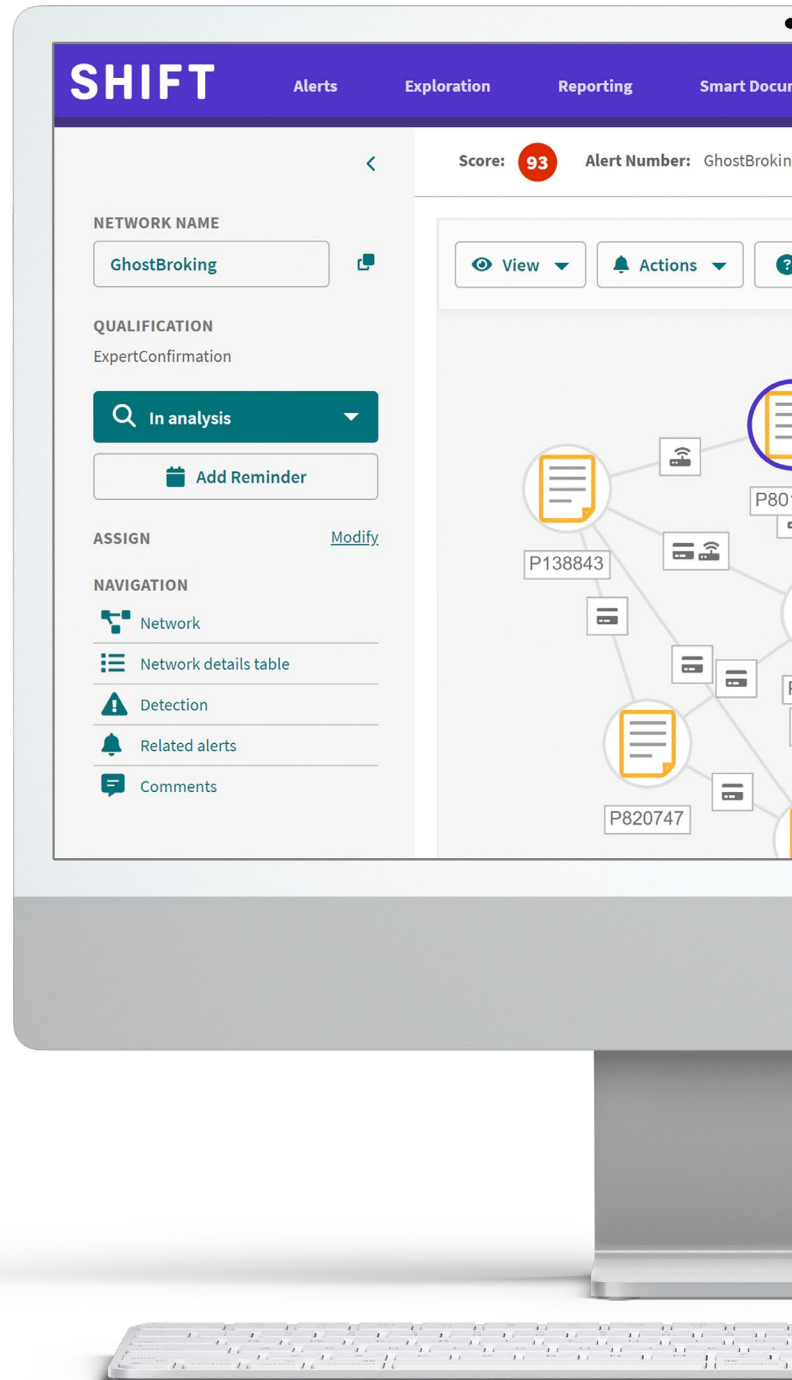
This proof of value helped the insurer realize the potential for Shift's AI to support their customer growth and satisfaction goals. The insurer moved forward with a multi-year agreement to fight fraud in both Underwriting and Claims. With Shift, the insurer is confident they can "prioritize and be proactive, and provide better customer experience."

Shift has delivered...

\$30M+ in annual projected underwriting risk mitigation

500% average fraud network loss ratios avoided

40% impact rate on policy alerts



SHIFT

About Shift Technology

Shift Technology delivers AI decisioning solutions to benefit the global insurance industry and its customers. Our products enable insurers to automate and optimize decisions from underwriting to claims, resulting in superior customer experiences, increased operational efficiency, and reduced costs. The future of insurance starts with Decisions Made Better.

Learn more at www.shift-technology.com