

Inside Decisions Made Better

What does it mean
for insurers to make
good decisions?

SHIFT

Introduction

Each insurer and every insurance line of business faces unique challenges and opportunities, so it's easy to understand why the mechanics of a good decision differ across organizations. Even if the goal of making good decisions is to arrive at a similar outcome, such as reduced costs and greater customer satisfaction, different insurers will arrive at these outcomes in different ways.

Shift's team of subject matter experts and customer success specialists are insurance veterans with years of industry experience. A diverse group, with perspectives from dozens of different companies, they have first-hand experience with the challenges to better decision-making facing insurance as a whole.

We recently asked our experts to share their ideas on what it means for insurers to make good decisions, and how Shift Technology can enable these decisions using insurance-trained artificial intelligence and machine learning.

Kamala Wedding

Manager of Customer Success
for P&C, Americas

James Tesdall

Subject Matter Expert
in P&C Underwriting

Gareth Evans

Head of Customer Success Management
for UK, Ireland, and Nordics

Mandy Fogle

Pre-sales Consultant
for Healthcare Value Engineering

Sofiane Gomri

Subject Matter Expert
in P&C Underwriting

Mark Starinsky

Senior Product Manager
for US Healthcare

Claims fraud costs insurers in three ways. First, there's the cost incurred when bad actors steal outright. Second, there's the cost of investigating potential fraud. Finally, there's the cost in terms of customer goodwill when insurers need to raise premiums to compensate. Making better decisions about fraud means that insurers reduce costs in multiple ways. Shift's Kamala Wedding talks about what those decisions look like in practice.



Kamala Wedding

Manager of Customer Success for P&C, Americas

For our clients, good decisions are informed decisions. Insurers have a lot of data, but to make good decisions they need to leverage as much of it as possible. When they can analyze all their data, they can find what they're looking for without making mistakes.

Equally important is the ability to consume the output of their analytics. In other words, they need to be able to understand what they're looking at. Shift's goal, meanwhile, is to make analytics consumable. When we make good decisions about data science and the user interface, this lets insurers make good decisions about claims and underwriting fraud.

Lastly, good decisions impact policyholders by speeding up claims, providing low-touch claims experiences, and helping them get paid faster. If investigators need to follow up on a claim, they know the right questions to ask. The policyholder also has a good window into the claims process, so they're never lost or confused. Even if the claims process can't deliver speed, good decisions can still provide a quality customer experience.



Shift provides the context to say 'Here are the five elements of this claim that are suspicious, and here's where you can go to start your investigation.' The time that this saves the SIU is significant."

—Kamala Wedding

Kamala Wedding

- 25 years of insurance experience
- First female director of SIU at Farmers Insurance
- 18 years of anti-fraud strategy experience
- Change management expert
- Help clients consistently achieve 4-5X+ ROI

Fraudsters move quickly, often using multiple, evolving identities and entities to defraud insurers. Shift's Gareth Evans discusses the importance of a flexible, continually learning approach when addressing claims fraud in the U.K.



Gareth Evans
Head of Customer Success Management
for UK, Ireland, and Nordics

When insurers make good decisions using the Shift platform, it means that they have faith in our solution. How can we uphold that faith? One way is via continual solution development. This means that we can take the best ideas we've discovered working with one customer, and then push those features and infrastructure and push them to organizations who will benefit. We're continually refining our best-of-breed approach.

Good decision-making is not a static concept – it must evolve and adapt.

That's particularly true in the counter-fraud arena, where bad actors constantly shapeshift to avoid detection. Insurers face the challenge of trying to interpret masses of data, from often disparate sources, in order to make decisions. Those decisions have significant monetary and reputational stakes attached. And in our customer-centric industry, where swift settlements are demanded, the window for making good decisions around fraud continues to diminish.

That's why Shift's AI-backed decisioning is so powerful. It works at scale to denoise data, detect anomalies & unearth hidden connections to widen the footprint of knowledge insurers need to make good decisions. As the AI learns from feedback it adapts to emerging threats, further strengthening the insurer's decision-making capability.



The most compelling thing about Shift Technology is the agility. We can quickly pivot and change the technology to apply to any business problem the insurer might have.”

—Gareth Evans

Gareth Evans

- Experienced counter fraud subject matter expert with over 20 years working in the insurance industry
- Extensive experience in counter fraud across multiple product lines
- Skilled in intelligence analysis, analytical skills, claims handling, fraud detection, and fraud investigations
- Represented insurers as defence witness in civil and prosecution witness in criminal trials
- Highly commended in The Richard Davies Memorial Award for the Unsung Insurance Fraud Fighter of the Year - *Post Fraud Awards 2018*

Claims fraud detection and underwriting risk detection represent a large set of decision requirements for insurers. Underwriting, in particular, is an area where intense time pressure exists – and making the wrong decision can mean losing or mis-pricing business. Shift's Sofiane Gomri discusses how data applied correctly gives insurers an edge in automating and optimizing decisions to deliver exponential value.



Sofiane Gomri
Subject Matter Expert in P&C Underwriting

Underwriters have a difficult job. They need to navigate a complex rules framework that touches a vast portfolio of business – and they need to apply this framework to a large applicant pool as well. It can be hard to make decisions in this context because it takes so much effort to monitor the portfolio and the applicant pool while trying to predict the future.

Improving risk assessments can improve a whole cascade of underwriting processes. Here's just one example: insurers try to sell policies online, but this often involves asking a long list of questions and then saying "we'll get back to you with a quote." Digital natives, who want faster quotes and policies, aren't really impressed by this. They often abandon the process.

When insurers have access to external data, however, they don't need to ask their applicants as many questions directly. Instead, they can run their risk assessments using information from our vetted external data partners, which is processed by our AI solution. This results in a shorter and smoother application process for the consumer, plus faster and better risk decisions for the insurer.



Underwriters have a lot of rules, a vast portfolio, and a many prospects. The volume and complexity of the data makes decisions difficult without the right assistive technology in place.”

—Sofiane Gomri

Sofiane Gomri

- PhD in Economics
- 17 years with one of the biggest insurers in France
- Global Head of the motor portfolio
- Deep experience in managing international insurance contracts

Underwriting is a critical and time-sensitive function for insurers who seek to write new business, price it appropriately, and manage risk, often on a very aggressive schedule. Shift's James Tesdall discusses ways insurers can minimize compromises throughout the underwriting process.



James Tesdall
Subject Matter Expert in P&C Underwriting

Brand, competitive pricing, sufficient coverage, and quality claims handling are table stakes for carriers. The winners are also able to meet marketplace demands of speed, ease-of-use, and high responsiveness. This can be at odds with the need to make good underwriting decisions about risk. To profitably grow the book of business, underwriters need to understand their exposures, know their customers and be able to knock out bad actors right away.

How do underwriters balance these necessities?

Usually, this means making a compromise. Underwriters cannot take forever to make decisions, or they risk losing the business. Instead, underwriters must draw a distinction between things they need to know versus things they'd like to know – leveraging as much of the “need to know” data as possible, in real time, to ensure they are making informed smart decisions.

With Shift, underwriters can make compromises a thing of the past. We give underwriters the right tools to make the right decision at the right time. This lets them conform to the market pressure of speed and convenience without sacrificing good underwriting decisions. That's because Shift helps underwriters zero in on suspicious policies and frees them up to focus on other parts of the business. In other words, underwriters can be more productive without working harder.



What I love about Shift is we drop our insights at the time intervals of the carrier's choosing, which really gives them flexibility to customize our solution to what works best for their team and business.”

—James Tesdall

James Tesdall

- 25+ years in the P&C insurance industry working primarily for large, multi-line insurers in the United States
- Prior to Shift, James spent eight years at Nationwide Private Client where he helped launch the company, and most recently served as the Executive Field Underwriting Leader
- James previously held several leadership positions in underwriting, sales, and operations

Decisions Made Better for Health Insurers

For health insurers, fraud, waste, and abuse cases are frequent, and exposures can range from hundreds to tens of thousands of dollars. Meanwhile, when payers make decisions about health insurance fraud it can directly impact the outcomes of their members. We asked our industry experts how health insurers can match these challenges with better decisions.



Mandy Fogle
Pre-sales Consultant for Healthcare Value Engineering

From a payer perspective, good decisions result in an optimized workload and ROI for investigators. In other words, the investigator always has a case with a lot of evidence and a high recovery potential. This means that they can close cases easily and return a lot of revenue to the insurer instead of having to slog through cases worth just a few hundred dollars.

While good decisions help return money to insurers, they also return costs to patients. By weeding bad or wasteful providers out of the network, the insurer helps patients receive better care at a lower cost. Flagging fraud helps both patients and payers.

Insurers can identify fraud, waste, and abuse by leveraging AI capabilities. These allow insurers to integrate internal and external data, flag novel fraud schemes, and prioritize alerts based on severity. This is a game changer for the SIU because they can maximize their ROI by solving the highest-revenue cases first. What's more, the AI solution makes investigations easier by providing evidentiary details – what about the claim was suspicious?



Shift's technology helps ID fraud, waste, and abuse by leveraging strong AI capabilities, integrating external and internal data, and IDing fraud schemes that haven't been seen before.”

—Mandy Fogle

Mandy Fogle

- 22+ years in healthcare fraud analytics and solutions
- Certified Healthcare Consultant
- Developed fraud/risk solution offerings at IBM for 20+ years
- Presented at over 15 fraud conferences on emerging healthcare schemes

Decisions Made Better for Health Insurers

In the pursuit of healthcare fraud, waste, and abuse, investigating false positives can result in significant costs and organizational inefficiency. Shift's Mark Starinsky discusses how the right approach can both reduce false positives AND unearth previously unseen improper payments.



Mark Starinsky
Senior Product Manager for US Healthcare

Making a good decision means eliminating false positives. Every time the SIU team gets an invalid lead, they need to spend time drilling into it. Often, they'll find that a business rule has flagged an anomaly, but then there are subjective reasons why that anomaly doesn't represent fraud. They don't get that time back.

By bringing external data sources and advanced analytics to the table, AI solutions can minimize the time spent on false positives. When you corroborate anomaly flags with analysis and external data, not only is it easier to find true positives, but in the rarer event of a false positive, the investigator doesn't need to drill deeply before they can rule it out.

Shift Technology increases the productivity – and justifies the existence – of the SIU. Now they're earning back a lot more revenue than the insurer is spending on paying for the investigators. They're also uncovering a lot more serious fraud, because they can use tools like link visualization to uncover networks of bad actors.



With Shift, investigators can turn over rocks and bring undiscovered fraud cases into the light of day.”

—Mark Starinsky

Mark Starinsky

- Accredited Health Care Fraud Investigator (AHFI)
- Certified Fraud Examiner (CFE)
- Certified in Healthcare Compliance (CHC)
- Certified SAFe 5 Agilist (SA)

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