



StatSoft.com

“Industry estimates that 5%-15% of your losses are from fraudulent claims.”

“We use Live Score to automate the scoring and routing of claims that have a high probability of fraud to the SIU. The claims are scored based on policy information, customer information, and information in the claim including the claim notes. The SIU selects to investigate about 50% of the claims sent to them from Live Score. We have uncovered new types of fraud, we save SIU resources, and the routing is a more predictable and efficient process.”

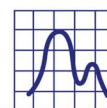
- *P&C Insurance Company*

Improved Fraud Detection: Predictive First Notice of Loss (FNOL) with Live Score™

The fraud landscape is forever changing; new types of fraud are growing rapidly and need to be identified quickly. Discovering fraud requires using up-to-the-minute information about new claims and patterns in your historical data about customers, policies, providers, and claims. As new claims are received or new data are collected for a claim, new patterns will become obvious when using StatSoft's Predictive Analytics Solutions.

StatSoft's Predictive Analytics Solutions enable customers to combine data that is mined from claims notes with payment, demographic, and third-party data to score claims in real time. New fraud is found earlier using our exploratory techniques and predictive algorithms throughout the FNOL process to reduce your overall claims expense.

Real-Time Claim
Scoring within Your
Existing Business
Process



StatSoft®

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Find New Fraud Earlier

StatSoft provides solutions that enable companies to become more price competitive by reducing overall claims expenses. StatSoft's Predictive Analytics Solutions will help you improve fraud identification, both in terms of getting fraudulent claims to the SIU faster and by quickly identifying new types of fraud. Our Solutions will also reduce your net claim expense due to improved subrogation yields through intelligent claim routing.

StatSoft's Predictive Analytics Solutions:

- Integrate with your existing claim handling process in either batch or real time
- Enable you to create a risk profile for a claim and execute analytical models and processes without programming or involving IT
- Analyze and score new data acquired throughout the entire claim handling process so there is no need to take your data offline and enter it back into the solution
- Customize to your business insight and business rules
- Employ an open, standards-based architecture and integrate with your existing business applications and processes
- Use predictive modeling techniques to find new forms of fraud
- Empower your agents to use dynamic "smart" questioning to reduce claims handling time

For the Actuaries in the House

StatSoft's Predictive Analytics Solutions address these major challenges found in dealing with insurance data:

- **Nonlinearity:** Traditional techniques often assume that the functional relationship between the independent variables and the dependent variables is linear or some transformation of the data exists that can be treated as linear. Let us show you how nonlinear approaches can be more accurate.
- **Interactions:** The exact form of the relationship between a dependent and independent variable may depend on the value of one or more other variables. We can show you how to leverage these interactions to your benefit.
- **Missing Data:** Frequently, data has not been recorded in many records of numerous variables that are of interest to the analyst. Let us show you how to mitigate this problem.

Predict Fraud with Greater Accuracy

Multivariate Adaptive Regression Splines (MARS) predicts with greater accuracy than logistic regression. If your company is using logistic regression to identify fraud, then you're probably not reducing losses as much as you could or you are investigating too many claims that are not fraudulent.

We can help you with all of the above issues and much more. Please contact StatSoft at insurance@statsoft.com today to find out how we can help you spot more types of fraud earlier to help you shave points off your loss ratios.



If you are using any single modeling approach, you will improve outcomes by having the suite of capabilities in StatSoft's Predictive Analytics Solutions

Identify Claimants Perpetrating Fraud

Fraudsters are always coming up with new approaches, but they often exhibit similar behaviors or patterns. Leverage Cluster Analysis and Text Mining to spot them early.

Text Mining Increases Fraud Model Accuracy

Our text mining capabilities incorporate the information in unstructured data sources such as claims notes. With this technology, you can access and process a wide variety of unstructured data, including text contained in:

- Microsoft® Office files
- Unstructured claim notes
- Databases
- Customer e-mails.

More Accurate Fraud Models

Blogs, Social Networks, D&B data, and more can be incorporated into your fraud models to catch new types of fraud early in the game.

StatSoft's Predictive Analytics Solutions are "better than generic," leveraging your data to get the right claims to the SIU faster.

Increase Recovery Dollars

StatSoft's Predictive Analytics Solutions can also identify subrogation opportunities early in the process to increase the amount you receive from third parties.