

## Claims Initiative of the Year



Vick Rajaswaran

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**Q**BE Hong Kong's commitment to detecting insurance fraud to safeguard the interests of its customers caught the attention of the judges.

Insurance fraud is a global problem, accounting for between 10% and 15% of all claims paid out in developed markets, according to estimates from the Hong Kong Federation of Insurers (HKFI).

At QBE Hong Kong, most fraudulent claims are detected through digital fraud rules, and manual referrals on a per claim basis, typically on motor or employee compensation cover. The insurer credits the high alertness and experience of its claims handlers for preventing these fraudulent claims from being paid.

As part of its efforts to strengthen its claims process further, QBE Hong Kong has joined the HKFI's Insurance Fraud Prevention Claims Database (IFPCD). The initiative uses artificial intelligence and machine learning to analyse claims data to identify different types of insurance fraud, particularly instances that involve multiple claims and organisations.

Through applying an algorithm to fraud scenarios and analysing claims data, the IFPCD is better able to identify fraud patterns and networks. If a potentially fraudulent case is detected, the IFPCD alerts participating insurers. A committee team, made up of representatives from participating insurance companies, also meets on a regular basis to share new scenarios to be built into the database.

QBE Hong Kong has joined the motor database of the IFPCD, enabling it to industrialise the detection of fraud, reduce leakage, and improve productivity by eliminating false claims.

It has incorporated the IFPCD digitally into its claims' workflow, meaning claims investigations can be processed more efficiently. If QBE Hong Kong receives an alert, its claims system automatically initiates a referral to its Special Investigation Unit Manager to review the case for potential fraud.

QBE Hong Kong's participation in IFPCD is part of its commitment to reduce fraud and safeguard the interests of its policyholders, channelling the resulting cost savings into more competitive products and services.

In fact, QBE Hong Kong expects to see a 1% uplift in fraud detection rates as a result of being part of the IFPCD, leading to an annual fraud saving of approximately US\$235,000.

Alongside wanting to reduce its own fraud loses, the insurer also emphasised that it has a social responsibility to participate in the industry-wide centralised database to help prevent and combat insurance fraud.

Vick Rajaswaran, Head of Claims, QBE Hong Kong Asia, said: "This award is a recognition of our team's efforts to digitally incorporate HKFI's Insurance Fraud Prevention Claims Database into our claims solutions, enabling a safer digital transformation and increased automation to deliver a seamless customer experience."