

Customer Story

Shift

Mitsui Sumitomo Insurance Company

With Force, AI solution to detect fraudulent claims, Mitsui Sumitomo Insurance has achieved significant improvement on claims fraud detection

The Situation: A growing threat of claims fraud

Mitsui Sumitomo Insurance Co., Ltd., part of the MS&AD Insurance Group, which offers a variety of insurance products, has been engaged in a cross-group project to achieve the goal of becoming a top level insurance / financial group with the company's "Vision 2021" corporate plan.

As part of the project, the company implemented Force, Shift Technology's AI-native solution, to detect fraudulent claims in April, 2019. It realizes a system to detect fraudulent claims with a high hit-rate, and elevate the claim business by enhancing the new business platform which can be constructed and modified on a cloud level.

"In Europe, fraudulent claims are said to account for about 10% of total claim payments. Fortunately, in Japan, it has not been as serious yet, but fraudulent claims have become increasingly sophisticated. It has become urgent and essential to develop a solution which could respond more quickly than previously possible," according to Mr. Masataka Tokita, General Manager of the company's Non-Marine Claims Administration Department.

The company's challenge was to find a new approach to identify new schemes of fraudulent claims which the existing fraud detection system could not, and prevent payments.



Mr. Masataka Tokita, General Manager, Non-Marine Claims Administration Dept. Claims Division

Mr. Michihiro Maruyama, Property & Casualty Claims Section, Non-Marine Claims Dept. Digital Strategy Dept.

At a glance

Situation

- Mitsui Sumitomo, a Japanese carrier, needed to enhance its ability to prevent payment losses by improving how it identified suspicious claims

Solution

- Introduced Shift Technology Force AI-native Fraud Detection to replace the existing system developed internally which required additional costs for each modification

Results

- Force will expand to analyze millions of claims annually for fraud
- Reduced burden on claims handlers for fraud detection
- Expansion throughout MS&AD to reduce fraud across all lines of business
- Improved fraud detection

The Solution: Implementing Force, SaaS based AI-native fraud detection with higher accuracy in detection and flexibility to adapt to changes in the claims process

Being widely adopted in Asia and Europe were important factors in Mitsui Sumitomo's decision to choose Shift's solution, Force. In addition, Mitsui Sumitomo was attracted to the use of AI and Shift's fraud detection algorithms.

The way the fraud was being identified by the previous system was based on claims handlers' knowledge and the cases from the past. The most significant factor in Mitsui Sumitomo's decision to adopt Force was the solution's ability to dramatically improve fraud detection accuracy by applying artificial intelligence (AI). "The use of AI and machine learning enables us to detect fraud techniques which we have not even noticed before, and we have significant expectations for enhancing the value of our big data related to claims," explains Michihiro Maruyama, P&C Claims Manager at Mitsui Sumitomo.

Another significant reason to adopt Force was the flexibility to make changes on its cloud-based system with support from Shift's many data scientists. According to Mr. Maruyama, "It was evaluated highly that Shift suggested operational plans to support us closely with their know-how and the latest knowledge for best practice, not just providing the solution. The flexibility of the solution such as the changeable user interface and their continued support on new fraud schemes was a key factor to choose Force."

Force was the first software-as-a-service (SaaS) technology implemented by Mitsui Sumitomo Insurance.

Mr. Tokita emphasized that Force's cloud delivery model aligned with the company's goal of "departing from the high cost of on-premise and in-house development." According to Mr. Tokita, "The concern for the security of cloud was addressed through the Force project, and the options for using the cloud should expand in the future. The improvement of response speed and cost reduction by using a cloud service are the unprecedented benefits."

The Result: Better fraud detection and increasing customer satisfaction

The solution was partially launched in April, 2019, and based on its initial results, the project was expanded to provide fraud detection across the country. With Force's nationwide launch, the company is planning to further enrich the operation in both quality and quantity. By analyzing the big data obtained from claim centers across the country, it is being planned to enrich and expand the fraud detection scenarios set for each fraud scheme and type. Currently, Force is adopted only for automobile insurance, and the plan is to further increase the accuracy of fraud detection across the whole MS&AD enterprise by expanding to other lines of business.

"Currently we process millions of claims per year between auto and other lines of insurance. By analyzing claims using Force, we can reduce the workload of the person who makes the final decision and achieve more accurate fraud detection," says Mr. Maruyama.

Furthermore, since the nationwide launch in July 2019, a "network fraud analysis" feature has been added to visualize hidden fraud within networks of multiple people. Mitsui Sumitomo Insurance hopes to improve customer satisfaction by maintaining a system that makes faster payments for legitimate insurance claims thanks to greater accuracy and increased automation.

What's Next: Continued success – and a growing partnership

Mitsui Sumitomo Insurance is confident that the proactive use of AI and cloud-based services to protect the company from projected increases in fraudulent claims will contribute to achieving its business goals. The company's efforts to further improve customer satisfaction will continue to accelerate with Shift Technology and Force fraud detection as a sustainable technology foundation underlying the organization's transformation.



Fraud detection solution such as Force, which uses AI on-cloud services, not just speed up the response to make changes in claims handling process and reduce cost, but also achieve faster payments for insurance claims and that brings a great business impact.



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