

# Fraud Protection

Awareness and vigilance are essential tools to battle fraudulent claims.

**M**onster under the bed. Nah, that one doesn't worry me. I know to check under the bed. I'm worried about the monsters in the unexpected places.

The reality is, when it comes to fraud, the only ones we know about are the ones we catch. What really keeps me up at night are the fraudulent claims being processed and paid out. The frauds we don't see are the ones that scare me. So, how do we bring these frauds to light?

## Communicate and Educate

Your people—the underwriters, claims team and marketing professionals who keep your business moving—are your frontline protection against fraud. Ideally, underwriters should catch fraud before it is ever on the books, but it cannot be solely up to them to notice and prevent fraud. While underwriters must cover gaps as much as they can, they also need the support of the organization and the tools to communicate with claims and marketing to promote awareness of fraudulent activity.

Communicating and educating your teams are keys to spreading knowledge and sharing approaches that will help solve the problem of fraud.

## Never Let Your Guard Down

Fraud can happen anywhere, and it's not always committed by external sources. It can be the cubicle next to you or even the corner office. It's important to promote a culture that rewards honesty and morality—internally and externally.

Beyond your frontline employees, associates and managers companywide should be aware that fraud can be encountered anywhere. To effectively handle



By  
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reported fraud, senior managers should identify who should be involved in investigations and what type of action the company should take to address and isolate the root cause.

## Explore New Avenues

As your company explores technology and innovation to enhance the customer journey, fraudsters will be looking for ways to exploit these systems. While criminals are constantly working to take advantage of insurance companies, experts within the industry are working to identify innovative tools and approaches for preventing, detecting and prosecuting fraud (such as The Association of Fraud Examiners and Transunion.) Be proactive in rooting out gaps and flaws, and do not get caught fighting the last fraud war when the next one is hiding, camouflaged and ready to attack.

## Engage With the Industry

Leverage expertise and capabilities of others to prepare for the unexpected. External perspectives from a reinsurer can help mitigate fraud through product design, agent requirements, and underwriting

standards. In addition, industry events provide an opportunity for attendees to engage with others and gather perspectives from people across the insurance product and service continuum. I have more than 34 years in the insurance industry. With that amount of time, you might expect that I've seen it all, but the reality is, I have not. Fraudsters are constantly evolving and looking for weak points in the system to infiltrate. Ultimately, it is everyone's job at your company to prevent fraud.

Awareness, communication and prevention need to be ingrained in the company DNA. Make it clear to criminals that fraud is not tolerated within our industry.

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