LexisNexis®
RISK SOLUTIONS

CASE STUDY

Leading insurer uses **LexisNexis® ThreatMetrix®** to reduce loss expectancy by millions

CASE STUDY

Overview

A top 10 life insurance company that offers both insurance and investment products was looking to heighten its digital capabilities by enhancing the user experience while amplifying security through digital transformation. The company wanted a digital platform that could reduce friction when onboarding customers into its retirement products, while at the same time ensuring better fraud protection. To achieve these objectives, the company successfully leveraged LexisNexis® ThreatMetrix® to help detect identity-related fraudulent behavior easily and seamlessly—doubling their fraud capture rate. The results were a multi-million-dollar decrease in loss expectancy and a 50% reduction in manual review, which improved the customer experience.

Situation and challenge

Onboarding customers into life insurance and investment products can be a tedious, information-laden process for customers. It's also a prime opportunity for fraudsters to act as imposters and garner valuable personal information that can put both clients and the company at risk.

A leading provider of life insurance and investment products was seeking to leverage digital capabilities to create a frictionless customer experience for its retirement product enrollment process while at the same time protecting clients and the company against identity-related fraud attempts. The focus for the company was on more efficiently and effectively identifying fraudulent policies that were created with stolen or synthetic credentials, as well as identifying related credential testing. As part of the effort, the company sought to protect its brand, promote a trusted platform for retirement account onboarding and move toward a secure online self-service environment.

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Solution

Leveraging our LexisNexis® ThreatMetrix® digital identity platform, we developed a customized solution that was unique to the company's customer journey and could ensure a lower manual review queue rate while maintaining a higher fraud capture rate. The solution was applied as a key fraud defense mechanism that would help deliver a more seamless customer experience with sub-second risk analysis time, while minimizing manual review and introducing the appropriate level of friction for high-risk transactions.

Using global shared intelligence, the customized solution successfully identified scenarios where fraudulent users attempted account takeover or fraudulent new account enrollment by using multiple account names or multiple email addresses from the same device.

Rules were set to detect incidents of location or IP address spoofing, which is indicative of fraudulent behavior such as credential stuffing.

This carrier also used features that allowed for a more fine-grained risk assessment tailored to a transacting user's individual behavior. In addition, these features allowed their fraud analysts to review high risk transactions through a digitalization tool combined with key event details, LexID® identity data linking and the ability to find related records. Doing so facilitated the detection of potential fraud exposures and bad actors.

Results

With initial implementation and tuning of the rules, the insurance provider saw a 20% increase in fraud capture rates with minimal false positive rates. The drop in false positive rates led to a related drop in manual review queue levels.

Over a two-year timespan, ThreatMetrix® helped protect more than $22 million of assets that would have been exposed if the bad actors had not been prevented from access to the system and stopped more than $845,000 of payments to fraudulent parties.

These benefits are ongoing. Periodic rules optimizations are helping the company better identify and mitigate additional fraud over time by detecting attempts of device, location or IP spoofing while reducing the number of false positives. These results offer a solid proof point for automated, digital identity fraud protection solutions that improve the customer experience, make fraud detection processes more efficient and deliver tangible financial benefits.

About LexisNexis® ThreatMetrix®

LexisNexis® ThreatMetrix® is a crowdsourced repository of global digital transaction intelligence used to identify and authenticate omni-channel devices and help prevent fraud in near real-time. LexisNexis® ThreatMetrix® alerts you to bot attacks, malware and account takeover attempts by building more accurate, yet simpler, risk models. With insight into 1.4 billion anonymized identities and devices, and intelligence from 4.5 billion monthly transactions, you have access to robust data on device integrity, location, user behavior and threat intelligence associated with online transactions. The size and scale of this network allows you to recognize up to 90% of returning end users, reducing friction while detecting complex fraud. With these insights, we can build a digital identity for each user and help flag activity that seems inconsistent or unusual. By combining digital identity insights built from billions of transactions with leading analytic technology and embedded machine learning, our identity access management solutions help unify decision analytics across the entire customer journey.

For more information on LexisNexis® ThreatMetrix®
please call us at 800.458.9197 or email insurance.sales@lexisnexis.**com**

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About LexisNexis® Risk Solutions

LexisNexis® Risk Solutions harnesses the power of data and advanced analytics to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. We provide data and technology solutions for a wide range of industries including insurance, financial services, healthcare and government. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX (LSE: REL/NYSE: RELX), a global provider of information-based analytics and decision tools for professional and business customers. For more information, please visit www.risk.lexisnexis.com and www.relx.com.