



# Automated Fraud Investigation

with

# HUMAN INTELLIGENCE AUTOMATION<sup>®</sup>



Instaknow technology is protected by U.S. patents 6732102,  
7073126, 7437342, 7979377, 9443005 and pending patents

Instaknow.com, Inc.  
180 Talmadge Rd., Suite 32  
Edison, NJ 08817  
908-605-6143  
[www.instaknow.com](http://www.instaknow.com)

## INSURANCE FRAUD

Insurance industry estimates generally put fraud at about 10 percent of the property/casualty insurance industry's incurred losses and loss adjustment expenses each year. Using this measure, over the five-year period from 2013 to 2017, property/casualty fraud amounted to about \$30 billion each year. Also, the Federal Bureau of Investigation said that healthcare fraud, both private and public, is an estimated 3 to 10 percent of total healthcare expenditures. Based on U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services' data for 2010, healthcare fraud amounted to between \$77 billion and \$259 billion.

## AUTOMATED FRAUD INVESTIGATION

Automated Fraud Investigation (AFI) is a customizable solution that can significantly mitigate losses associated with Insurance Fraud.

It discovers, correlates, concludes, updates, and publishes real time data across enterprise systems, websites, search engines, portals, blogs, mainframes, emails, Excel, Work, PDF's and databases. It emulates how your staff does routine work and then replicates the work faster, more economically, more accurately and beyond human limitations.

Automated Fraud Investigation has the ability to:

- Dramatically reduce fraudulent insurance payouts and cost of investigations
- Reduce the time and human effort involved in fraud investigations
- Increase the ability to process additional cases without needing to add staff
- Substantially improve the precision in identifying perpetrators
- Handle the tedious follow up tasks – emails, letters, etc., that often bog down investigators
- Automatically request/review ISO reports, histories, background checks, and financial Information
- Interface with enterprise systems, including Case Processing and Case Management Systems
- Refresh data throughout the case lifecycle
- Compile standard case reports and audit trails
- Provide investigators with comprehensive data – automatically collected, categorized and ready to be reviewed
- Support informed timely decisions through its real time capabilities
- Reduce the learning curve for newly hired investigators through its automated procedures
- Deploy quickly and produce immediate return

Automated Fraud Investigation is based on a multi-patented, Artificial Intelligence (AI) platform by Instaknow.com, Inc., called Human Intelligence Automation®, which can be customized to replicate and improve upon virtually any knowledge work performed by a human. The platform is widely deployed within Fortune 500 companies, the US Government, and the military.

One of its five US patents was earned for the fuzzy matching capability that uncovers fuzzy correlations among a variety of categories, including, but not limited to: people, vehicles, addresses, claims, convictions, warrants, educational background, and career specialization.

## CAPABILITIES

Automated Fraud Investigation (AFI) facilitates researching, identifying, and following up a greater number of potential fraud cases than is possible using other approaches. AFI gives investigators the advantage of new, powerful, cutting edge enhancements to research capabilities along with the best of those currently available. AFI can be trained to perform the full range of fraud analyses just as you would train a human investigator.

In identifying suspicious claims, the technology will scrutinize the claims against a predefined list of red flags that have been found to point to possible fraud. Claims that fail this initial test will be set aside for further investigation.

In addition, Automated Fraud Investigation (AFI) can interface with statistical analysis and Business Intelligence systems, which may be used to analyze claims for other factors that suggest fraud. The suspicious claims identified statistically would be added to the list set aside for further investigation.

Once a claim is identified as suspect, AFI can automatically interface with Claims Processing and Case Management systems, and undertake the next steps normally handled by human investigators, including:

- Requesting / reviewing ISO Reports, vehicle histories, real estate property histories, background checks, and financial information, and compiling relevant reports.
- Composing / sending emails requesting additional information from other insurance companies with regard to claims identified in the ISO Reports.
- Composing emails and / or letters requesting medical information from doctors for claims involving injuries.
- Automatically processing replies to emails according to case management procedures.

AFI drastically reduces turnaround time through its ability to automatically and immediately start the lengthy process of acquiring additional data. Your staff will no longer suffer through tedious research. Instead, they will be provided with information automatically collected, categorized, and ready to be reviewed.

## MINING THE WEB TO INVESTIGATE FRAUD

Mining the web greatly facilitates background checking, gathering financial information, researching databases, and more. Key information is found through a variety of sources including social media and general internet searches. The data retrieved can be automatically combined with other data obtained from internal and external databases, including ISO.

Automated Fraud Investigation ensures that more time is spent on reviewing results than on routine manual tasks.

## Key Research Areas supported:

- Property Histories
- Financial Reports
- Criminal Record Checks
- Unstructured Data Sources
- Social Media Investigation
- Vehicle Histories

## Benefits of Automating information gathering:

- Increased investigator productivity
- More actionable information faster
- Higher quality research
- Quicker reaction time

## AFI can mine both structured and unstructured data sources

- LexisNexis
- Better Business Bureau
- National White-Collar Crime Center (NW3C)
- ISO Claim Search
- Pipl deep web search
- National Insurance Crime Bureau (NICB) database

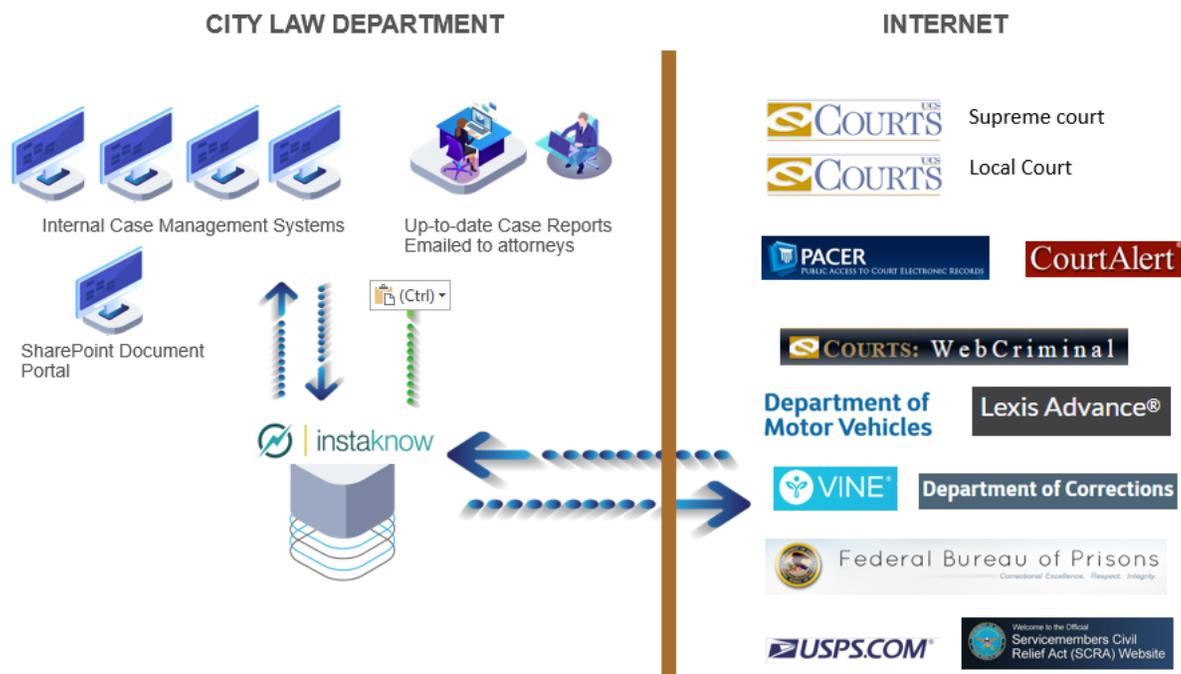
## KEY HIGHLIGHTS

- Replicates / Improves Investigative Process
- Accesses Data from Disparate Sources in Real-Time
- Cuts Administrative Costs
- Improves Investigative Accuracy / Throughput
- Reduces Overhead
- Leverages Existing Systems
- Automates Communication
- Reduces Hiring & Training Expenses

## CASE STUDY

The law department of a large city on U.S east coast with over 360 attorneys and nearly 300 support staff defends the City against over 7,500 new personal injury and property damage cases annually. The division has special units to address issues such as risk management, early settlement, catastrophic injuries, police actions, and toxic torts (i.e. tort claims based on exposure to a toxic substance).

Instaknow helped this government agency to improve their case preparation and prosecution capability.



Five internal systems kept synchronized every day with 12 Web data sources for 3,000 current-appearance cases. 45,000 new details (appearances, conferences, motions, dispositions, address checks, prior lawsuit documents etc.) updated daily.

Results for this law department:

- Average saving of two hours per day for every attorney and support staff, by avoiding them doing complex Web searches and data entry. That is a 25% increase in productivity of these divisions, equivalent to an avoidance of \$6 million in FTE costs.
- Hundreds of thousands of complex data points searched, correlated and kept current every day, across 17 internal and external systems, with better-than-human accuracy.
- Triple digit ROI, from highly intelligent, reliable, straight-through automation of millions of detailed processing steps every month.
- Stabilization of payouts by the city to settle cases, amounting to savings of tens of millions of dollars.
- Recording of audit trails mandated by state department.
- Automatic preparation of case reports.

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## About Instaknow

Instaknow is a fast-growing B2B Artificial Intelligence software company. Our “Human Intelligence Automation ®” AI software helps Fortune 1000 organizations and large government agencies become more efficient and productive by rapidly cutting time, effort and costs of data intensive manual operations. Our software has been granted five U.S. patents and more are pending.

Our current customers include global giants in banking, pharmaceuticals, logistics, legal, telecom, federal/state/city agencies and many more. Exciting new AI breakthroughs in our latest software release (think “dramatic advances beyond Robotic Process Automation”) are about to revolutionize how corporations rapidly achieve “Digital Transformation” at mass scale.

Our AI software is used in many industries and in hundreds of different ways, providing multiple avenues to succeed, a rich learning experience; and a chance to solve high-value business problems in never-before-possible ways.

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For more information, contact [solutions@instaknow.com](mailto:solutions@instaknow.com)



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