



LexisNexis®
RISK SOLUTIONS

Insurance

Fraud Strategy Tip Sheet



Top Five Ways to Help Reduce the Cost of Insurance Identity Fraud

As the digital transformation of the marketplace unfolds with unprecedented speed, your organization may benefit from reevaluating its approach to fraud prevention and mitigation. In 2022 alone, \$43 billion was lost across all industries to identity fraud.¹ Here are five steps to take to help ensure your organization can safely navigate today's complex digital environment and minimize fraud losses.



1. Identify vulnerabilities and key focus areas

Performing a fraud risk assessment can help your organization analyze current security measures and evaluate whether it's properly equipped to keep pace with evolving risks. LexisNexis® Risk Solutions can help you address any issues revealed during your assessment. Enabling a more comprehensive view of identity can help keep fraudsters from entering your customer ecosystem.²



2. Prioritize a fraud mitigation strategy

Detecting and mitigating sophisticated fraud schemes requires a coordinated approach across all customer touchpoints for your business — especially as cross-industry fraud accelerates. Centralized coordination of your fraud management solutions can help achieve increased detection accuracy, faster and more agile threat responses and improved customer experiences.



3. Implement a multi-layered fraud strategy

A holistic, multi-layered, multi-year fraud management strategy is essential to maximizing your defenses. No single solution can detect and prevent all instances of fraud.^{4,5} You should utilize digital and physical data, as well as risk signals. More advanced risk capabilities can incorporate behavioral and biometric data — further increasing security and minimizing friction without compromising consumer privacy. These insights can then be incorporated into a platform-based risk assessment solution to power your risk strategy.



4. Perform a periodic account review

You will need to continue to evaluate your identity and fraud strategies to ensure they remain effective. Risk review is an ongoing process — LexisNexis Risk Solutions can support these periodic audits to help ensure every layer of your defense is as secure as it should be.



5. Incorporate fraud risk scores

Digital fraud risk scores can provide a near real-time view of identity risk to help predict the likelihood of an application resulting in fraud. However, fraud risk scores are still under-utilized by the insurance industry. By analyzing hundreds of unique characteristics in real-time, fraud risk scores can help you better understand the risk of a transaction and see patterns that other tools might miss.⁶



BONUS TIP

Focus on the customer

You will also need to balance the cost with the customer experience — monitoring and adapting to changes in consumer transaction behaviors to ensure your customer experience stays as frictionless as possible while maintaining strong defenses.

Building a holistic approach to managing identity fraud risk

By following these tips and leveraging fraud risk management solutions and support from LexisNexis Risk Solutions, your organization can be better prepared to combat the costs of insurance identity fraud.

LexisNexis Risk Solutions is a leader in the insurance identity management space, and we are ready to help you develop a more comprehensive approach to identity fraud risk management.

For more information, or to start your fraud risk assessment, call 800.458.9197 or email insurance.sales@lexisnexis.com



About LexisNexis Risk Solutions

LexisNexis® Risk Solutions includes seven brands that span multiple industries and sectors. We harness the power of data, sophisticated analytics platforms and technology solutions to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. 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 risk.lexisnexis.com and www.relx.com. Our insurance solutions assist insurers with automating and improving the performance of critical workflow processes to reduce expenses, improve service and position customers for growth.

¹ <https://javelinstrategy.com/press-release/identity-fraud-losses-totaled-43-billion-2022-affecting-40-million-us-adults>

² <https://risk.lexisnexis.com/insights-resources/white-paper/new-approach-to-fraud-risk-assessment>

³ <https://blogs.lexisnexis.com/fraud-and-identity-in-focus/battling-fraud-networks-begins-with-multi-layered-solutions-mdr/>

⁴ <https://blogs.lexisnexis.com/fraud-and-identity-in-focus/identity-proofing-challenges-require-a-multi-layered-approach-mdr/>

⁵ <https://blogs.lexisnexis.com/insurance-insights/2021/10/rethinking-insurance-fraud-mitigation-strategies/>

⁶ <https://www.prnewswire.com/news-releases/new-identity-management-study-from-lexisnexis-risk-solutions-and-aite-novarica-group-reveals-increase-in-fraud-as-industry-reports-uptick-in-digital-transactions-301382860.html>