RISK MITIGATION x PDL:

Fighting Worker's Compensation Insurance Fraud

PRODUCTS
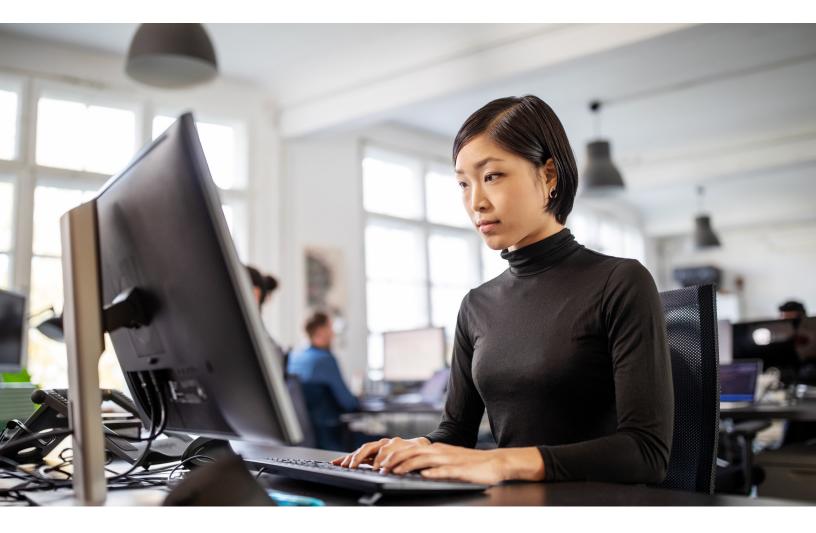Person Enrichment API and Data License

SOLUTION
Fraud Prevention

THE CHALLENGE

Losses due to insurance fraud are estimated to be around $40 billion per year in the United States alone, according to the FBI and the National Insurance Crime Bureau. While these losses are spread across some 7,000 licensed insurance providers, they are ultimately passed on to legitimate consumers in the form of higher premiums. The same report finds that fraudulent insurance claims cost the average American family between $400 and $700 dollars per year in increased premiums.

A risk mitigation vendor in the worker's compensation insurance space came to People Data Labs with a challenge. In order to prevent losses due to insurance fraud, they needed to build tools that could quickly and accurately link an insurance claimant's name and case to accurate professional information at scale and on demand. These connections would allow the vendor to begin the process of verifying that the claim was valid or possibly misrepresenting their injury or disability.
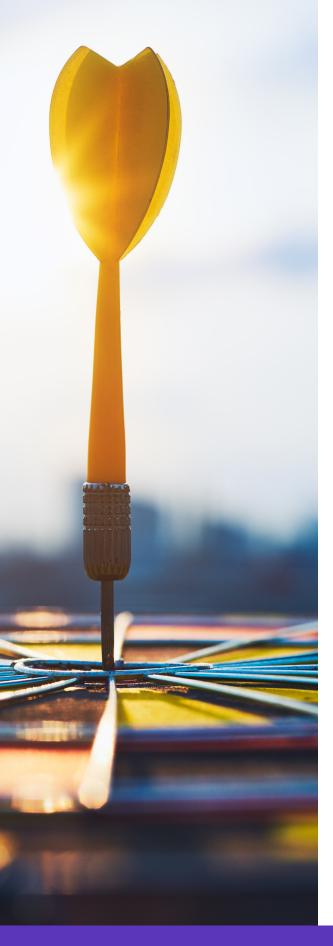
THE SOLUTION

People Data Labs became a core part of the vendor's data pipeline. PDL's unique, proprietary sourcing of professional data and linking of consumer identities of insurance claimants to previously unknowable professional or B2B information, including their recent work history as well as to social media profiles, allowed insurance providers to launch and accelerate manual investigations and rapidly and definitively close any potential fraud case. By linking claimants to our proprietary professional profiles, including work history and social media profiles, the vendor expedited manual investigations into suspected fraudulent claims and gathered evidence of behavior inconsistent with the injuries claimed.

PDL workplace data linked to our customer's data provides a point of reference and contact for real-world follow-up to reveal behavior that can confirm or partially disprove a claim. Increasing the speed and volume of these linkages accelerated the process of weeding out false claims, preventing losses that would ultimately be passed on to legitimate insurance buyers.

THE RESULTS

Time savings: A wider range of accurate linkages shortens the time needed to make initial assessments about the veracity of each claim, allowing insurance providers to launch and ultimately close manual investigations more quickly. In addition to net saving of time and resources, faster and more accurate matches allow providers to service legitimate claims more quickly thanks to accelerated due diligence. This same accelerated process allows legitimate claims to be resolved and serviced more quickly, giving insurance holders the money they're entitled to faster.

Accelerated manual investigation: Insurance providers must rely on a manual investigation of suspected fraud to definitively prove or disprove a claim. However, when the vendor tools were powered by PDL professional data, insurance providers sped up these manual investigations, arming investigators with more accurate information to process higher volumes more rapidly than ever before.

Greater loss prevention: With more accurate matches, the vendor was able to help its insurance provider clients detect more fraudulent claims before funds were issued. This enhanced loss prevention directly benefited legitimate policyholders by ensuring that the costs of these fraudulent claims would not be defrayed to legitimate policyholders in the form of higher premiums.