



AIG UK Claims & Fraud Management



1. Introduction

AIG takes its responsibilities to counter the risk of claims fraud seriously.

Fraud impacts on insurers in many different ways, in the underwriting and claims life cycle, and no two insurers share identical fraud risks and exposures, and the same applies to businesses. Therefore, it is essential for AIG that it not only understands the exposures and deploys defences proportionate to the risks, but that when doing so it takes into consideration the needs and requirements of its clients, all of which without losing sight of the fundamental feature of AIG's claims handling philosophy; to settle valid and genuine claims in the shortest possible timeframe.

2. How does AIG manage claims fraud risks?

2.1 Risk based approach

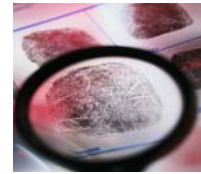
AIG's approach to claims fraud management is risk-based, with primary focus being on those lines of business/loss types that are viewed as presenting the greatest risk of fraud loss.

As part of understanding its claims fraud risks and exposures, to include those sitting within any outsourced claims operations, AIG has undertaken fraud centric projects, with the objective being to identify and then deploy claims fraud best practice.

Fraudulent claims are identified by AIG in a variety of ways, using for example technology, data sharing, fraud intelligence, forensic scientists/accountants/vehicle examiners, telephone based fraud screening/conversation management, specialist fraud vendors and last but not least, good claims handling.

2.2 In-house resources

Spearheading AIG's focus on claims fraud management is our own dedicated fraud team formed in 2007, namely Specialist Claims Services (SCS), consisting of two experienced Fraud Case Managers; Dean Southorn and Chris Andrew.



SCS is managed by our Regional Claims Fraud Officer, Glen Marr, who also has responsibility for championing best practice across our European claims operations.

Glen has some 19 years experience in the field of insurance fraud management (claims & underwriting), operating for insurers in Australia, Europe and the UK, and was formerly a Police Officer. In addition, Glen is a member of the Association of British Insurers (ABI) General Insurance Anti-Fraud Committee and is regularly called upon as a subject matter expert industry speaker.

Supporting SCS is a network of Claims Fraud Champions in the higher risk lines of business; these being claims staff with experience in handling claims fraud and they work very closely with SCS on a daily basis.

2.3 Additional resources

AIG utilise a Panel of external fraud vendors; specially selected suppliers of a range of claims fraud services who are used when appropriate. These vendors are chosen for their expertise in specific disciplines and subject to formal contracts, which incorporate a Code of Practice and the vendors are actively managed by SCS, to ensure only the highest levels of service is provided.

2.4 Data sharing & access to data/fraud intelligence

AIG routinely shares claims data with other UK insurers through controlled data sharing arrangements that exist, using the Claims & Underwriting Exchange www.cueuk.org/default.asp. The data supplied by AIG Claims also automatically forms part of the pool of shared data accessed by the Insurance Fraud Bureau (IFB).

AIG are members of the Insurance Fraud Bureau (IFB) www.insurancefraudbureau.org and Insurance Fraud Investigators Group (IFIG) www.ifig.org, where SCS works very closely with other insurers and enforcement agencies, to share fraud data and intelligence to play a part in managing claims fraud, plus to combat the threat of organised insurance fraud.

In addition to fraud intelligence regularly received and shared by virtue of IFB and IFIG membership, AIG has access to other streams of insurance fraud intelligence through its Panel of fraud vendors and close working relationships with other insurers.



2.5 Legal proceedings, prosecutions & recoveries

In instances whereby sufficient grounds exist to challenge an insurance claim in the civil arena through the legal process, AIG will appoint a law firm from its Legal Panel to represent our interests and those of any clients.

Where evidence sufficient to prove a fraudulent claim has been intimated, AIG does where it is felt appropriate pursue criminal prosecutions and will actively support the Police in this regard.

For claims whereby a settlement has already been made and fraud is subsequently identified, AIG will instigate recovery actions.

3. What does this mean for clients of AIG?

AIG's approach to claims fraud management is targeted and under constant review and evaluation to ensure best practice is continually deployed, and our anti-fraud strategy never stands still. Thus, AIG's clients should be rest assured that we are actively seeking to identify fraudulent claims and deploy measured responses.

Insurance fraud is not only a crime, but an act that impacts financially not only on AIG, but our clients. Therefore, AIG holds the firm view that genuine clients should not subsidise the actions of the fraudster and we are committed to protecting client interests.

4. Want to know more?

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