CLAIMSHARE

ClaimShare is a flagship product from global technology vendor **IntellectEU** that enables insurers to identify "double-dipping" fraud. It is the world's first solution for this problem, leveraging **R3's trust technology**.

Up to 10% saved in fraud costs

Enables real-time, anonymized, secure sharing of claims information between insurers

Identifies and prevents fraud involving multiple claims for the same event

Option to notify regulators in real-time

Platforms: Conclave and Corda Enterprise

The solution uses both **Conclave** and **Corda Enterprise** to enable insurers to confidentially aggregate data using a shared record of truth. This introduces a novel way of collaborating and securely sharing data.

Challenge

Double-dipping is a form of insurance fraud that occurs when one entity files a claim with multiple insurers for the same event. It exploits the fact that insurers' fraud detection systems have no way to share data about a claim with other insurers. The data gap is founded in concerns about privacy. On the business side, insurers are reluctant to share data with competitors; on the client side, GDPR restricts the transferal of personal data.

To date, there hasn't been a technology that reliably enables insurers to share claims data with one another, while retaining full control of that data. Some jurisdictions have attempted to use centralized databases for this issue. But these are limited to one state or country and create a single point of failure. Insurers are turning away from centralized solutions as they struggle to comply with increasingly stringent privacy regulations.

$40bn in annual insurance fraud in the US alone (Source: **FBI**)

1/3 of actual fraud is estimated to be detected, according to research by KPMG

5-10% of insurance fraud is related to "double-dipping" fraud (Source: **KPMG**)

> **ClaimShare is the first platform that allows the detection and prevention of double-dipping fraud in the insurance industry. Using Corda and Conclave, we are one step closer to fighting fraud in real-time.**
>
> **Chaim Finizola,**
> **ClaimShare Director**

Solution

When IntellectEU set out to build a fraud solution for insurance, they knew it had to enable multiple parties to collaborate over shared facts, provide assurances about how client data is used, and scale as customer demand increases.

The team decided on Corda after exploring public blockchains. Because the use case required data to be shared in real-time on a need-to-know basis only, it favored a private, peer-to-peer transaction model that allows claims to be shared only between insurers that cover the specific line involved. In addition to this, Corda's high scalability and throughput enables multiple claims to be processed in parallel.

But IntellectEU knew the solution needed to provide insurers with a technical assurance that their customers' data is protected while in use. Specifically, confidential computing is a proven privacy enhancing technique that can aggregate sensitive data across multiple insurers in different jurisdictions. The enclaves used by confidential computing protect at the hardware-level and are more reliable and scalable than other encryption-based solutions for IntellectEU's matching algorithm. This led IntellectEU to Conclave as it allows developers to easily build privacy enhancing applications that securely share and analyze data while it's being used. To do this, Conclave uses Intel SGX® enclaves that match private data in a fully GDPR-compliant way, as no personally identifiable information (PII) is stored. With Conclave's mail API taking care of the messaging and remote attestation, IntellectEU focused on optimizing the ClaimShare business logic.

With Corda and Conclave, ClaimShare creates a new value-added service that opens the way for insurers to detect and prevent double-dipping fraud. ClaimShare's APIs integrate with insurers' existing claims-handling systems. This enables information related to new claims to be shared anonymously on their Corda network. ClaimShare also leverages its Corda-based Catalyst Blockchain Platform for node management and VELMA AI profiling platform to compare public claim information between insurers. When there is a suspicion of fraud, the private data linked to the claim is compared anonymously using Conclave.

In case of a match, the second payout can then be held back, and the regulator is automatically notified by both parties in real-time.
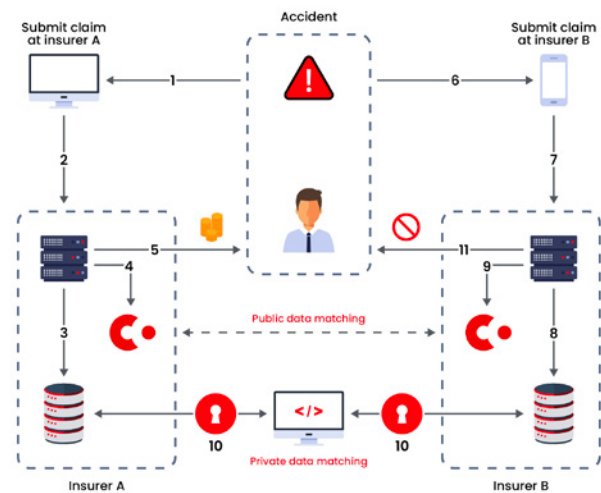
Results

ClaimShare is currently being trialed by several leading insurers. When implemented, **IntellectEU expects ClaimShare to save insurers up to 10% of their overall fraud costs per insurance line**. It will also give insurers a clearer idea of the losses from double-dipping fraud, which are not currently detectable due to lack of reporting. To create benchmark data, IntellectEU is backtesting insurers' claims data. This 'backtesting-as-a-service' platform is live today and being used to create real-time reporting on the amount of double-dipping fraud insurers paid out in previous years. For the first time insurers can now quantify this type of fraud in a matter of weeks.

The response to ClaimShare from insurers and regulators has been overwhelmingly positive. After winning the Corda and B3i Challenge: Insurtech 2020, ClaimShare was selected as the number one CorDapp of 2020 and featured in this recent IDC Market Perspective Report.

Following this success, IntellectEU closed a Global Alliance Partnership with KPMG to take the product to market together. The two companies have been engaging with insurers and regulators in over 20 jurisdictions globally. Backtesting engagements have included collaboration with R3's ecosystem, including MoData, B3 and Intel. The future for ClaimShare powered by R3's trust technology is bright—meaning double-dipping fraud will soon be consigned to history.