

Efficiently Preventing Money Laundering & Fraud

Compliance Solutions for the Insurance Industry

Bosch Software Innovations



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Invented for life

Using Intelligent Software to Prevent Money Laundering & Fraud

Since 2001, Innovations Software Technology has been developing risk-based compliance software and the result, the Innovations Compliance Suite, has earned high marks in Switzerland, Liechtenstein and Germany. Right from the start, we focused on building compliance products that minimize operational expenditures for investigations. With their finely calibrated, risk-oriented analyses and efficient electronic investigation workflows our products reduce the transactions that must be processed

by up to 75%. Investigations – the primary cost factor in effective compliance – are limited to truly relevant incidents, thus minimizing compliance costs while maximizing security.

We have the experience you can trust! Innovations' compliance products are efficient and risk-oriented, and their flexibility make them the perfect answer to the latest compliance requirements. Get to know the Innovations Compliance Suite!

Early Risk Detection and Assessment

For the most complete detection of high-risk transactions, you have to look in the right place. Depending on available customer information, Compliance Suite creates a risk classification as soon as a policy is signed. That classification is updated automatically, and the authorized compliance user can manually revise it as well. This risk classification is critical to determining insurance-specific potential exposure.

Analysis of Money Laundering Anomalies

As part of monitoring for money laundering, a rule-based analysis is automatically performed on all customer relationships and transactions with respect to a range of money laundering and fraud scenarios. When unusual transactions are detected, Compliance Suite automatically generates alerts and investigations. Innovations provides a set of standardized scenarios for this purpose, and rule-based scenarios can be quickly and easily adapted or revised as needed.

A few scenarios applied in analyzing transactions and customer risks:

- ▶ Payments received from a foreign country
- ▶ High insurance amount with an unusually short term (due to premature cancellation, for example)
- ▶ Designation of beneficiaries who have no plausible relationship to the policyholder
- ▶ High one-off payments (such as special payments)

Are there high-risk people among your clients?

Business relationships with politically-exposed persons (PEPs) and prominent people pose unique risks due to the public attention focused on them. Compliance Suite allows you to exclude those risks at the time the business relationship is established. These include risks associated with criminal or terrorist elements. For instance, even before a relationship is established, Compliance Suite compares potential new clients against sanctions lists or black lists. Subsequently, comparisons of the entire customer inventory are

Compliance Suite's Advantages:

- ▶ Efficient investigation processes using guided workflows with integrated approval workflows, saving valuable time.
- ▶ Compliance Suite is extremely flexible and can be adapted to your unique business processes.
- ▶ A sophisticated authorization concept provides security at every level.
- ▶ All processes are documented to ensure auditability.
- ▶ Rules can be tested with historical data prior to release into production.
- ▶ All compliance modules can be controlled from a single application.



regularly performed. This ensures that customer matches are detected when a customer is placed on such a list later in the course of a business relationship. Hits that are investigated and determined to be high risk can be listed in internal black lists. And at a glance, the Relations Browser analyzes those persons' other interlocking relations.

Fraud Detection Is Fraud Prevention

A review of relevant application processes is integrated in order to successfully prevent insurance fraud. Customer data that has been entered are reviewed for indicators of possible fraud, such as:

- ▶ The same or similar people, entities, addresses, or telephone numbers in the customer database or on previous applications; or
- ▶ Application data that matches high-risk entities or undesirable clients in external databases.
- ▶ Compliance Suite also compares business relationships with so-called black lists and attempted frauds that have already been uncovered, such as fraudtently obtained benefits.

Investigations Result in Clarity:

Compliance Suite's systematic monitoring follows transparent rules. Every hit automatically generates an electronic form for investigation and documentation of that hit. All relevant additional information is displayed, and background information can be obtained with the click of a mouse. Depending on the degree of risk associated with the particular hit, several investigations ranging the gamut are triggered. All inputs are stored in the system and always available for auditing purposes.

Compliance Suite in Brief...

- ▶ Generates risk classifications for new business relationships
- ▶ Automatically monitors risk classifications on a regular basis
- ▶ Analyzes money laundering anomalies
- ▶ Compares new and established clients against sanctions lists and black lists
- ▶ Graphically represents relationship networks
- ▶ Provides electronic investigation workflows
- ▶ Supplies auditable documentation

Modules of the Compliance Suite

Compliance Suite

MLDS

Money Laundering Detection System

Risk-based monitoring of money laundering, considering the KYC Profile/ Customer Due Diligence

NMC

Name Matching Customer

Automated identification of PEPs and other suspicious persons with respect to their risk potential, even at the account opening

NMT

Name Matching Transaction

Examination of transactions against embargo and sanctions lists before execution

MAID

Market Abuse & Insider Dealing Detection

Monitoring of insider trading and detection of market abuse

FDS

Fraud Detection System

Detection of fraud patterns in the application with a plausibility check

MCI

Management of Conflicting Interests

Handling of conflicting interests and tracking the measures taken

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We provide our customers with the support they need to develop innovative business models that interconnect functions, services, and devices via the internet. Using Bosch Software Innovations' leading technologies, customers can increase the efficiency and flexibility of complex applications to gain a long-term competitive advantage.

More information can be found at **www.bosch-si.com**

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