

Empowered Validation

Advancing Enterprise



About DigiLog

DigiLog UK Ltd is the world's leading provider of integrated risk-reduction solutions for validating integrity within conversation-based transactions such as Applications, Claims and Customer Disputed Transactions. We call this approach the Advanced Validation Solution (AVS). AVS is designed to handle even large volumes of calls efficiently and effectively whilst being as customer friendly as possible.

DigiLog's Management Team have between them years of professional experience in the areas of Fraud Risk Management, Fraud Investigation, Voice Risk Analysis Technology, Business Process Enhancement, Training and Customer Service.

We currently count Highway, Provident Insurance and eSure among our growing portfolio of clients.

A strategic partnership formed between DigiLog and Capita Plc is tremendous news for the future growth of AVS in both the public and commercial sectors.

Our specialist expertise and knowledge now combines with Capita's scalability and innovative service provision, complementing and expanding our current capabilities in Consultancy, Training, Technical Support and Risk Management.



Advanced
Validation
Solutions

Why Validate?

70% would inflate a claim if they thought they could get away with it



What types of fraud affect our society?

Research shows that:

- 48% of people would not rule out making a fraudulent insurance claim¹
- At least 10% of general insurance claims are fraudulent²
- A fraudulent debit/credit card transaction takes place every 7 seconds³
- As many as 10% of drivers lie when making car insurance applications⁴
- There are 80 million active National Insurance numbers in the UK but only 60 million people⁵

When compared to professional criminals, the opportunists, who either exaggerate, exploit or indeed fabricate information, are much more prevalent, much harder to identify and face very little to deter them. They are rarely found out through traditional claimant profiling, analytics or data-sharing methods.

Research also shows that people from higher socio-economic groups, in general the most significant purchasers of financial services, are as likely to commit insurance fraud as the rest of the population.⁶

How much does fraud actually cost the UK economy?

Putting a figure on this is notoriously difficult as the cost only includes fraud actually detected. The 2000 UK fraud bill was estimated by the Home Office to be in the region of £14 billion⁷ while the impact on the UK economy could be as much as £40 billion.⁸

The Association of British Insurers (ABI) estimates fraudulent claims on household and motor policies alone cost the insurance industry in the UK £20 million a week⁹, while the British Banking Association (BBA)¹⁰ and the UK Payments Association (APACS)¹¹ conservatively estimate the combined costs of plastic and cheque related fraud in the UK at around £1.5 billion.

One thing is for certain, the cost of fraud is inevitably borne by society. Every UK household is subsidising fraudsters by an estimated £1872 per annum.¹²

Ignoring the importance of real-time validation will inevitably delight the fraudsters, frustrate your genuine customers and significantly erode value in your business.

1 ABI (2003) *Facts on Fraud*, Feb, issue 1

2 ABI (2005) <http://www.abi.org.uk>

3 DCPCU (2005) <http://www.dpcu.org.uk>

4 RAC (2005) *Report on Motoring 2005*, RAC, Feb

5 CIFAS (2005) <http://www.cifas.org.uk>

6 ABI (2004) *General Insurance Monthly*, Nov

7 Lewis, D. (2000) *The Economic Cost of Fraud*, National Economic Research Consultants, UK

8 Scott-Joynt, J. (2005) *Is the UK a fraudster's paradise?* BBC News, Jan 3 1st

9 Datamonitor (2004) *Claims Management in UK General Insurance*, Datamonitor, Nov

10 BBA (2005) *Fraud Managers Reference Guide*, UK

11 APACS (2005) *Card Fraud – The Facts*, UK

12 BBC News (2005) *Fraud doubles to high of £756m*, <http://www.news.bbc.co.uk>, March 28th

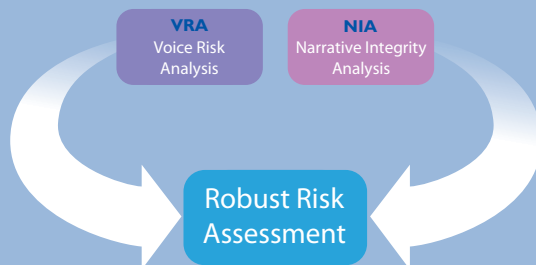
DigiLog's Solution

Introduction

DigiLog's proven Advanced Validation Solution (AVS) is able to focus in on - and instantly assess risk in - what is being said by any applicant/claimant.

AVS concentrates on the actual matter being reported by the customer and unlike other screening methods, risk assessment is not clouded by prior history or personal socio-economic profile.

Offering an appropriate level of resistance to fraudsters and cheats, whilst enhancing the experience of genuine customers, is critical to our success.



A Dual Approach

DigiLog's AVS is revolutionary in combining powerful Behavioural Analysis Techniques, known as Narrative Integrity Analysis, with the most sophisticated Voice Risk Analyser Technology on the market, enabling the fast and accurate validation of genuine customers.

This dual approach ensures that the subjectivity of an operator's opinion in critical decision making is both underpinned and robust.

Fast-Tracking

The primary objective of AVS is to identify genuine customers swiftly and in real time by enabling operators to accurately assess risk in statements as they are actually reported by customers.

The majority of cases are regularly assessed as having little or no relevant risk and are subsequently streamed for fast-track settlement. Those that cannot be immediately passed to the fast-track are retained for more in-depth validation work.

Key Benefits

Customers Providing enhanced service levels to the genuine customer is at the heart of the process. Customer retention is critical to a company's long-term success – fast, efficient and effective validation dramatically improves the genuine customer's level of satisfaction.

Shareholders DigiLog customers are regularly showing a substantial return on their AVS investment. They attribute this to a combination of dramatic increases in the defeat of fraud, significant enhancements to a variety of business efficiencies and reductions in case handling times and associated costs.

Employees By empowering front-line employees to make key decisions, motivation through ownership is greatly enhanced and staff turnover hugely reduced. Additionally, new skills and processes are opening up new career paths for front-line staff.



Voice Risk Analysis

The ground-breaking Nemesysco Voice Risk Analysis (VRA) technology at the heart of DigiLog's solution, uses a number of highly innovative algorithms to produce a powerful computerised analysis of risk in speech flow - either as it happens or as was captured in a recording.

These identified risks not only reveal signposts to truth but also deception, uncertainty and inaccuracy.

The pre-existing stress levels (which can vary considerably) of each individual customer are always taken into account before a VRA evaluation is applied.

This ensures that analysis is tailored to accommodate the individual customer's unique set of circumstances at the specific time their responses are analysed.

Narrative Integrity Analysis

DigiLog has carefully researched, tested and proven its Narrative Integrity Analysis (NIA) techniques, designed for deployment in tandem with VRA technology.

Fundamental to NIA are a number of highly advanced and 'empowering' techniques embedded within the AVS process including:

- Advanced Questioning Techniques
- Enhanced Cognitive Interviewing
- Conversation Management Skills
- Applied Psychology

As a result, we have identified over 30 tried, tested and highly powerful signposts to truth and deception that regularly occur within speech. These are easily captured within our process in order to make life simple for the operator and risk assessment as reliable as possible.



I have to claim on my insurance as **my watch** has gone missing.
Can I take your details and policy number please?
My name is **Norman Bates** and my policy number is YX009541.
Please can you confirm the make and model of the watch?
Yes, it's a **Gold Rolex Oyster Perpetual**. Very expensive.
Thank you Mr Bates. Please can you tell me how your watch became lost?
It must have been left **in the shower room of the motel** where I work.

Further Validation



Business Benefits

Business Benefit

Result

Enhanced Customer Service

- 70% of customers fast-tracked, often in as little as 10 mins
- Claims lifecycle down as much as 75%
- Complaints ratio regularly at or near 0%
- One client reports a 50% reduction in customer complaints

Reduced Operating Expenses

- Evidence of at least 33% reduction in average handling time
- Higher defeat rates* but lower ratio of field investigations

Reduced Leakage

- Clients regularly achieving huge increases in fraud detection and prevention
- One client reports savings of £14.5 million from 19,000 claims, incredibly this is over £750 for every claim screened!

Improved Staff Motivation

- Call handlers empowered to make key decisions
- Skilled role with greater stimulation and career path
- One client reports front-line staff turnover down 72%

Powerful Management Information

- Delivering focused insight on critical claims handling activities
- Enhancing business awareness of customer base behaviour

Business Process Efficiency

- Creating streamlined, logical and efficient operations, benefiting both your organisation and your valued customers

*Defeat rates will vary according to client and deployment type

Our Services

DigiLog's AVS is so much more than a mere product. It is a dynamic solution carefully designed and tailored to meet your business needs, accompanied by service excellence and geared to deliver substantial returns on investment.

Drawing from our considerable experience in implementing solutions for many leading organisations, both at home and internationally, AVS embraces all critical components of successful delivery, including: Project Design and Management, Training, Mentoring, Technical Integration, Support and Business Process Enhancement.

Implementing any new solution should always be challenging but never daunting. You can be sure that DigiLog has the necessary knowledge and expertise to help you achieve your goals swiftly and efficiently.



Business Relationship

Relationship At DigiLog, we are committed to building a mutually beneficial long-term relationship via our philosophy of taking a proactive approach in relationship management. Our principal objective is to maximise the effective relationship between our solutions, whether outsourced or in-house, and our clients' internal operations. We constantly seek ways to positively impact on AVS performance and the working practices of our clients.

Service Excellence As a provider of cutting-edge, customer-facing solutions, we are fully committed to providing the best possible customer experience complemented by market leading service levels. Technology and Process Support to our customers is focused, flexible and informed and is available by phone, online or on-site.

Experience Members of our Management Team have played key roles on the ABI's Anti-Fraud Committee, the Insurance Fraud Investigator's Group and the Insurance Hunter Steering Group. Additionally, we are actively involved with the Fraud Advisory Panel and The Association of Certified Fraud Examiners. This extensive experience and deep insight into the issues that affect your industry enables you to have confidence in our ability to deliver the desired solution right from the outset.

Testimonials

UK Government

"This positive and encouraging news from the pilots shows that this technology is helping to combat benefit fraud. It is also making it quicker and easier to review claims, especially for those people who are genuinely entitled to benefits,"

James Plaskitt MP, Anti-fraud Minister

Highway Insurance

"We have found that not only does the solution (AVS) do an excellent job in identifying risk within claims, but that the underlying message is getting through that claims fraud is much more difficult to get away with when processes such as this are in place. We have seen the benefits of using the process across the board"

Peter Gallagher, Highway Claims Director

Coventry City Council

"AVS has delivered real benefits for Coventry City Council and our customers. Not only are we now able to pay genuine claims much quicker, we are also safeguarding funds by ensuring that higher levels of fraud are identified accurately and efficiently before claims enter payment. In addition, we have found that our customers are very happy with the process and our staff enjoy the additional skills and working with such a ground breaking process."

Leslie Dunn, Benefits Manager, Coventry City Council

Provident Insurance

"With DigiLog, we have seen an enormous increase in fraud savings coupled to a massive reduction in the number of complaints in the days pre AVS. Another benefit is that the AVS styled questions help our genuine customers to provide much more accurate information, helping us to improve the overall efficiency of our processing. AVS is helping us to fast track genuine claims to settlement – often 50% faster than before."

Adrian Furness, Provident Insurance Claims Director



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