

Tempcover

Tempcover reduces annual loss ratio by 20 points using GBGroup's ID Verification service.

The most successful organisations recognise the value of understanding individual identities. GBGroup (GBG) combines individual identity data with technology to provide our clients with the Identity Intelligence they need to make good business decisions. That's why Tempcover chose GBG's Identity Verification solution to increase the accuracy of identity checks at policy inception.

tempcover.com

GBG's Identity Verification solution can authenticate customers by matching personal information against reference data for more than 4.3 billion citizens across the globe. GBG is able to offer a robust level of ID check to reliably verify customer details and detect application fraud.



Background

On its launch in 2006, Tempcover created a whole new market for instant short-term insurance for cars and vans. Since then, it has insured over a million customers to temporarily drive vehicles. Sold only online, its policies run for up to 90 days and insurance certificates can be printed out straight away.

Tempcover brokers policies from a panel of insurers and issues around 40,000 new quotes via its website every month, writing £12 million in annual premiums. To prevent payment and application fraud, the company has gradually phased in a range of customer verification checks.

One month at Tempcover:

Tempcover have had a
£1m
reduction in insurance
losses in 12 months



40,000
quotes



Tempcover writes
£12m
in premiums
annually



30,000
new customer quotes



29,000
look-ups by GBG



21,000
policies
issued



“With GBGroup's services, we can detect more fraud and onboard more good customers too.”

Neil Harris, Underwriting Director, Tempcover.

The Challenge

Authenticating name, address and ages as accurately as possible, in an online environment. Tempcover first implemented online identity validation as part of its website application form in September 2011. Being able to check name, address and date of birth immediately accelerated its customer acceptance processes and reduced the amount of losses suffered by its panel of insurers.

“Fraudulent applications often involve lying about age to obtain cheaper insurance and it's essential to validate an individual's identity” says Neil Harris, Underwriting Director at Tempcover. “Introducing online verification didn't impact our volumes at all. In fact, it increased our premium income in many cases as customers were forced to tell the truth about their age and location.”

However, Tempcover felt that its first online ID solution supplied by a Credit Reference Agency (CRA) was still missing many possible matches. Letting through fraudulent applications meant Tempcover's premium income was still below its full potential while its insurer panel experienced extra claim losses. Just a month after its initial system went live, the company started talking to GBG about accessing the superior performance of GBG's own Identity Verification solution. In October 2012, Tempcover decided to run a proof-of-concept demonstration to test whether or not GBG really was better than the competition.

The Solution

Proving GBGroup's ID Verification solution outperforms the competition. GBG processed a large sample of Tempcover's historical policy and claims data, looking for evidence of false details. The results demonstrated convincingly that GBG could spot more application fraud whilst increasing the volume of first time matches

“The difference in accuracy was very noticeable,” says Harris. “Looking at the data, you could see where the holes were in the previous system. One big advantage for GBG is their access to more reference data.”

Covering over 4.3 billion individuals, globally, GBG's Identity Management service employs multiple, reference data sets across the globe - many of which are unique to GBG. This, combined with more accurate matching, helps detect more application fraud during screening. GBG also offers

The Solution continued

extensive configuration options that enabled Tempcover to customise the service to meet their own data, rules and risk needs.

On completion of a successful proof of concept, in April 2013 Tempcover agreed that GBG would become their primary identity intelligence provider. Following a short integration project, the new online registration system went live that August. During the first months of activity, GBG enhanced the system to help Tempcover increase acceptance rates of good customers whose details can't be validated right away. Now, when name, address and age can't be confirmed immediately, customers can submit driving licenses and passports to validate their identity.

"If customers fail the first address check, that's often just because they have recently moved," explains Harris. "That's particularly common with students and HM Forces personnel. We don't want to lose customers because of that, so we can use GBG's unique document checks to give us extra comfort that their details are correct."

The Benefits

Extra accuracy reduces losses and increases income. Right from the start, Tempcover were impressed by the performance of the GBG system. "It was a very straightforward integration and the IT team found GBG easy to work with," says Harris. "The service has also been completely and utterly reliable which is essential for us as a 24/7 online business."

12 months later, the first year's results confirmed the deployment as a wise decision. With more customers paying accurate, higher premiums and the GBG solution helping to increase acceptance rates, the GBG implementation has continued Tempcover's trend to higher premium income – both overall and per policy. But the loss ratio figures were even more impressive. Tempcover's panel of insurers reported a staggering average 20 point drop in loss ratios over the first year of GBG's tenure. That translated to a 20% reduction in claim values and an overall saving of around £1 million.

“GBGroup is an expert and dynamic partner that constantly upgrades their services and range of reference data”

Neil Harris, Underwriting Director, Tempcover.

"That's a serious improvement in profitability for our insurer panel," says Harris. "There were obviously still quite a few customers getting through with the wrong date of birth under the previous system. By detecting application fraud and preventing losses, we give our insurers confidence in our business processes. In return, they are more likely to be receptive to new business ideas and offer us preferential rates, which obviously increases our margins."

As part of its growth strategy, Tempcover is now talking to its insurance suppliers about selling a wider range of products in the coming year and is looking to expand into Ireland and other EU countries. GBG also figures in

those plans. Tempcover has just signed another, long-term agreement for its ID Verification Solution and is testing other related services from the supplier.

"GBG is an expert and dynamic supplier that constantly upgrades their products and reference data," says Harris. "Using two of their services, we have been able to detect more fraud without impacting the instant on-boarding of good customers. Their wide range of global ID solutions make them an ideal partner for us as we expand into new international markets."

- GBG's more accurate online identity checking service saved Tempcover's insurance panel £1 million in claims in one year due to reduced application fraud.
- Checking the validity of scanned documents via the GBG system helps increase acceptance rate for good customers that have recently changed address.
- Reduced application fraud and higher customer acceptance rates drove increased premium income for Tempcover.
- Comprehensive reference data combined with accurate matching and flexible system configuration delivers ID and fraud screening precisely tailored to each user's needs.
- Simple integration with web application form via industry-standard API.
- Clear audit trail proves compliance.

“We are delighted to extend our long term strategic partnership with Tempcover. Through our extended fraud solutions, we can further assist the UK broker market in fraud prevention by detecting issues at the very outset. GBGroup is totally committed to support Tempcover's global growth by extending our unique matching technology, configurable solutions and global datasets which can even validate the identity of individuals who are new to the UK or have little or no credit history.”

James Mizrahi, Client Director, GBG.

About GBGroup (GBG)

The most profitable and successful organisations recognise the value of understanding the individual identity of their customers and employees. GBG combines this concept of identity with technology to create an environment of trust, so that organisations can employ people and connect, communicate and transact with consumers, safely and responsibly.

We call this Identity Intelligence.