Press Release

GFT and PwC: agreement signed on the development and marketing of a new anti-fraud solution for the insurance market

Milan,15th March 2018 – an important agreement for the insurance market has been signed by GFT Italia, global technological partner for digital transformation in the financial and insurance market, and PwC, which represents one of the world's largest professional services networks. The aim of this important agreement is to collaborate on the development and marketing of an innovative anti-fraud solution, which can quickly detect and prevent all types of fraud, which may occur either when underwriting or settling of claims. The solution covers all types of fraud, whether it be individual or organized, internal, or related to network partners.

In EMEA, fraud accounts for at least 10% of insurance payouts

The aim of the solution is to provide an innovative response to a major phenomenon, which heavily impacts on the economic performance of insurance companies. In EMEA, fraud accounts for at least 10% of payouts. The solution proposed by GFT and PwC is based on the capacity to prevent and anticipate fraud through a modular framework, designed to support every phase in the process: prevention, investigation and data analysis. Predictive rules can be continuously improved through a set of innovative tools, whose effectiveness can be monitored over time thanks to the use of machine learning capabilities. Despite the complex tools underlying the framework, it is designed to give simple answers, which can easily be understood by an underwriter or loss adjuster/call center, as we firmly believe in a human understandable approach rather than a closed black box.

The innovative solution is the result of a synergic approach by these two entities, with their relative expertise in the field of insurance and in cutting-edge technology and which will continue to evolve over time based on market experience. The solution should not be simply considered a new software package on the market, but a framework that can drive business change and transformation.

The initial version of this product, developed by GFT Italia, and launched on the market in 2015, has evolved through the collaboration with PwC to a new innovative solution based on:

- open source **Big Data** technologies, designed to create an open system capable of exploiting all the information available on the web and beyond;
- innovative **Machine Learning** solutions developed by Rulex Inc., partner of GFT Italia, as a key element of continuous learning and identification of recurring patterns essential to predicting and preventing organized and internal fraud;
- **Document Detection** solutions, an important factor due to the increasing ease with which counterfeit documents are produced and consequently are ever more frequently used both when underwriting contracts and filing complaints.

Implementation of a Rule Engine

The solution can retrieve millions of data items from heterogeneous sources, and process them in real time, to build up **an anti-fraud database** for research and investigation. Investigations may also be carried out on social networks, where relationships are identified to subjects who are already registered in company systems or imported from institutional and external databases. The solution also incorporates a Rule Engine, through which heuristic rules and predictive models can be managed and monitored. The Rule Engine includes 1,200 rules, which have emerged from market experience, 2 predictive models developed with Machine Learning technologies as "explicit" models, which are easily understood by both underwriters or liquidators, and a set of tools, which can be used by trained personnel to develop additional anti-fraud predictive models.

The focus on prevention, the ability to learn, specialization and transparency are the distinctive features of the approach and tools of GFT Italia and PwC.

"The partnership with PwC allows us to further strengthen our presence in the insurance market – says **Umberto Zanchi, Insurance Client Unit Director GFT Italia** – *and position ourselves as the only Italian and international player with a solution of this scale. We have achieved further success in the transformation process that is affecting insurance companies, as well as creating valid technological support in the endless challenge of interpreting the dynamics of fraud, and operational processes by implementing interrelated and advanced rules in the fight against fraud."*

"We believe that with this agreement we can give a concrete answer in terms of reducing the payout levels and in boosting the efficiency of the processes towards our Customers. The

availability of increasingly effective rules, thanks to continuous learning processes based on intensive data use, allows the introduction of a truly management by exception approach in both claims and underwriting processes . "– says ***Stefano Bellandi, EMEA Insurance Core Business Transformation Manager at PwC.***

About GFT

As an experienced technology partner, GFT Technologies SE (GFT) is committed to driving the digital transformation of the financial services industry. Drawing on our extensive knowledge of the sector, we advise the world's leading financial institutions and develop bespoke IT solutions – from banking applications and trading systems to the implementation and support of complete platforms, and the modernization of core banking systems. Our global innovation team also develops new business models, focusing on topics such as blockchain, cloud engineering, artificial intelligence and the internet of things across all sectors.
www.gft.com

About PwC

At PwC, our purpose is to build trust in society and solve important problems. We are a network of firms in 158 countries with more than 236,000 people, of which around 5000 [solo..?] in Italy, who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

GFT Italia Contacts:

Paola Sinigaglia
GFT Press Office - paola@paolasinigaglia.it
Mobile: +39.340.1065021 - Skype: paola.sinigaglia1

Dante Laudisa
Marketing & Communication Director - GFT Italia Via Sile, 18 - 20139 Milan (MI) Tel: +39.02.581588613 Fax: +39.02.58158621 dante.laudisa@gft.com www.gft.com/it

PwC Contacts:

Barabino&Partners
Elena Bacis
e.bacis@barabino.it
Tel. 02/72023535 – mobile. 329/0742079
Stefania Bassi
s.bassi@barabino.it
Tel. 02/72023535 – mobile. 335/6282667