

## CASE STUDY

### Revolutionising AML/KYC Processes for a Leading Insurance Company



## Key Outcomes

↓ **60%**

Reduction in the number of false positives.

↓ **30%**

Reduction in compliance operational costs.

↓ **45%**

Reduction in processing time for flagged alerts.

↓ **20%**

Improvement in client satisfaction ratings for their digital services.

## Background and Context

Recently, one of the largest and most prominent insurance companies in their country approached Idenfo seeking an efficient, cost-effective solution for their AML/KYC (Anti-Money Laundering/Know Your Customer) processes. The company, which serves millions of clients, had been struggling with a legacy screening system that was failing to meet its expectations.

As one of the leading insurance providers, they were under pressure to meet stringent regulatory requirements, ensure security, and stay ahead of financial crime threats. Yet, their current system was proving to be inefficient and costly, which had significant operational and financial impacts. Their AML team, consisting of nearly 40 people, was overwhelmed by the volume of alerts and false positives, making the entire process slow, labour-intensive, and financially unsustainable.

The company sought out Idenfo to address these key pain points—high false positives, excessive alert volumes, bloated operational costs, and a time-consuming verification process that hindered their efficiency.

## Challenges: A Broken System and High Operational Costs

- 1** **An Overwhelming Volume of Alerts and False Positives:** The old system generated an unmanageable number of alerts. With over 500,000 customers in their portfolio, the insurance company was dealing with hundreds of thousands of flagged transactions daily, a majority of which were false positives. Their screening process lacked the sophistication to differentiate between legitimate and suspicious transactions effectively, resulting in alert fatigue and unnecessary operational burdens.
- 2** **Large AML Team and High Costs:** Due to the overwhelming number of alerts, the insurance company had a dedicated team of around 40 people solely focused on managing and reviewing these alerts. This not only slowed down their processes but also resulted in inflated costs for the system and human resources, making it unsustainable for the long term. The team spent significant time investigating false positives, which prevented them from focusing on real threats.

## Idenfo's Solution: Streamlined, Cost-Effective, and High-Precision AML/KYC

After understanding the company's challenges, Idenfo implemented its advanced AML/KYC technology platform, designed to tackle the exact pain points the company was facing. Here's how Idenfo's platform transformed their operations:

- 1** **Reducing False Positives:** The first and most critical improvement was drastically reducing the number of false positives. Using sophisticated AI and machine learning algorithms, Idenfo's system significantly enhanced the accuracy of alerts. Over the first six months, the number of false positives dropped by over 60%. By focusing on more precise screening mechanisms, the platform helped reduce alert fatigue and increase the relevance of flagged transactions. In fact, data shows that 27% of all alerts flagged were genuine.
- 2** **Lowering Operational Costs:** With the reduction in false positives, the insurance company was able to scale down its AML team. The team that once comprised around 40 people was reduced by more than 50%, resulting in immediate cost savings in personnel and operational expenses. These changes allowed the company to reallocate resources to more strategic areas, enhancing its overall business performance.
- 3** **Improving Compliance Efficiency:** By running the system in parallel with their previous platform for six months, the company tested both solutions side by side. During this time, it became clear that Idenfo's system was not only more efficient in detecting genuine cases but also faster in processing and resolving alerts. On average, the processing time for flagged alerts was reduced by 45%, allowing for quicker responses to potential threats and smoother onboarding for new customers.
- 4** **Data Migration and Long-Term Scalability:** In January 2023, after six months of parallel testing, the insurance company fully migrated all of its data to Idenfo's platform. The seamless transition allowed the company to maintain continuity in its operations without any disruption. Additionally, Idenfo's platform was built with scalability in mind, meaning the company can easily accommodate growing volumes of customers and transactions without a drop in performance or efficiency.



## Key Metrics and Results

**Reduction in False Positives:** After nearly a year and a half of using Idenfo's system, 27% of the alerts generated are now genuine—a significant improvement over their previous system, where genuine alerts were a small fraction of the total flagged transactions.

**Team Size Reduction:** The company was able to reduce its AML team by approximately 50%, from 40 people to around 20, leading to significant cost savings in personnel while maintaining compliance efficiency.

**Improved Processing Speed:** The time taken to review and close alerts decreased by 45%, allowing the company to handle more transactions in less time.

**Cost Savings:** Overall operational costs related to compliance were reduced by 30%, thanks to the lower number of false positives, the reduced team size, and the elimination of unnecessary manual processes.

**Client Satisfaction:** With faster onboarding times and fewer delays in transaction approvals, the company saw a 20% improvement in client satisfaction ratings for their digital services.

## A Long-Term Partnership

This transformation is part of a long-term partnership between Idenfo and the insurance company. The project is structured to evolve over 10 years, allowing the company to continuously benefit from Idenfo's technological advancements. With AI-driven updates and ongoing support, the insurance provider is well-positioned to stay ahead of both regulatory changes and evolving financial crime threats.

## Conclusion: The Idenfo Advantage

Idenfo's solution proved to be a game-changer for this leading insurance company. By addressing the core issues of false positives, high operational costs, and inefficient screening, Idenfo not only improved compliance accuracy but also allowed the company to focus on what matters—serving its customers effectively.

As financial regulations tighten and threats become more sophisticated, businesses need robust, efficient, and scalable solutions to protect themselves. Idenfo's AML/KYC technology platform delivers on all fronts, helping businesses stay compliant, reduce costs, and enhance their operational performance.

For any company looking to streamline its AML/KYC processes, Idenfo offers a powerful, tailored solution that can adapt to the needs of the most complex industries, delivering real results and long-term value.