SPSS Risk Control Builder™

Minimize Risk While Improving Customer Service

Real-time risk assessment can help you make confident decisions that balance your commitment to customer satisfaction with your need to reduce costs and minimize your organization's exposure to risk.

SPSS Risk Control Builder is a powerful tool that helps organizations assess risk and make better decisions during critical business processes. Using a combination of business rules, predictive models, and information gathered from customer interactions, SPSS Risk Control Builder integrates with your systems and processes to evaluate risk in real time. This approach ensures that insurance claims processors or organizations that need to process credit applications can cost-effectively achieve both their customer service and risk reduction goals by detecting more fraudulent or high-risk cases or transactions earlier in the process. By determining which cases present the least risk to your business, you can process those low risk transactions more efficiently.

With SPSS Risk Control Builder, your risk managers or other business users can define how to assess risk based on your organization's needs. The application's business-focused interface enables users to:

- Define areas and levels of risk
- Select which customers to include or exclude in the assessment
- Specify possible events and actions
- Combine the rules and models in a risk matrix to optimize risk assessment
- Ensure the best possible outcome by defining and performing "what if" simulations and adjusting the settings for different situations

As a result, your claims adjusters or credit analysts will be able to quickly and easily define and manage the variables used to identify the best possible actions, giving them the flexibility to adjust as the business changes—without having to wait for IT to make time-consuming programming changes. For example, you may need to determine whether or not an insurance claim should be investigated or if it qualifies for fast-track processing. Or you may need to decide whether or not a customer's credit line should be increased. In each case, you need to make a decision quickly to avoid losing your window of opportunity—but you must also be sure your decision is the best one.

When assessing risk, you need to be able to leverage all of your customer data—transactional, behavioral, descriptive, attitudinal, and even field or call notes—for a unified view of the customer at both the modeling and interaction stages. This data may be related to a particular interaction, and will result in more reliable risk scores. With SPSS Risk Control Builder, you can reward your best customers with quick responses, and your adjusters or analysts can focus on suspicious, incomplete, or incorrect claims or applications.

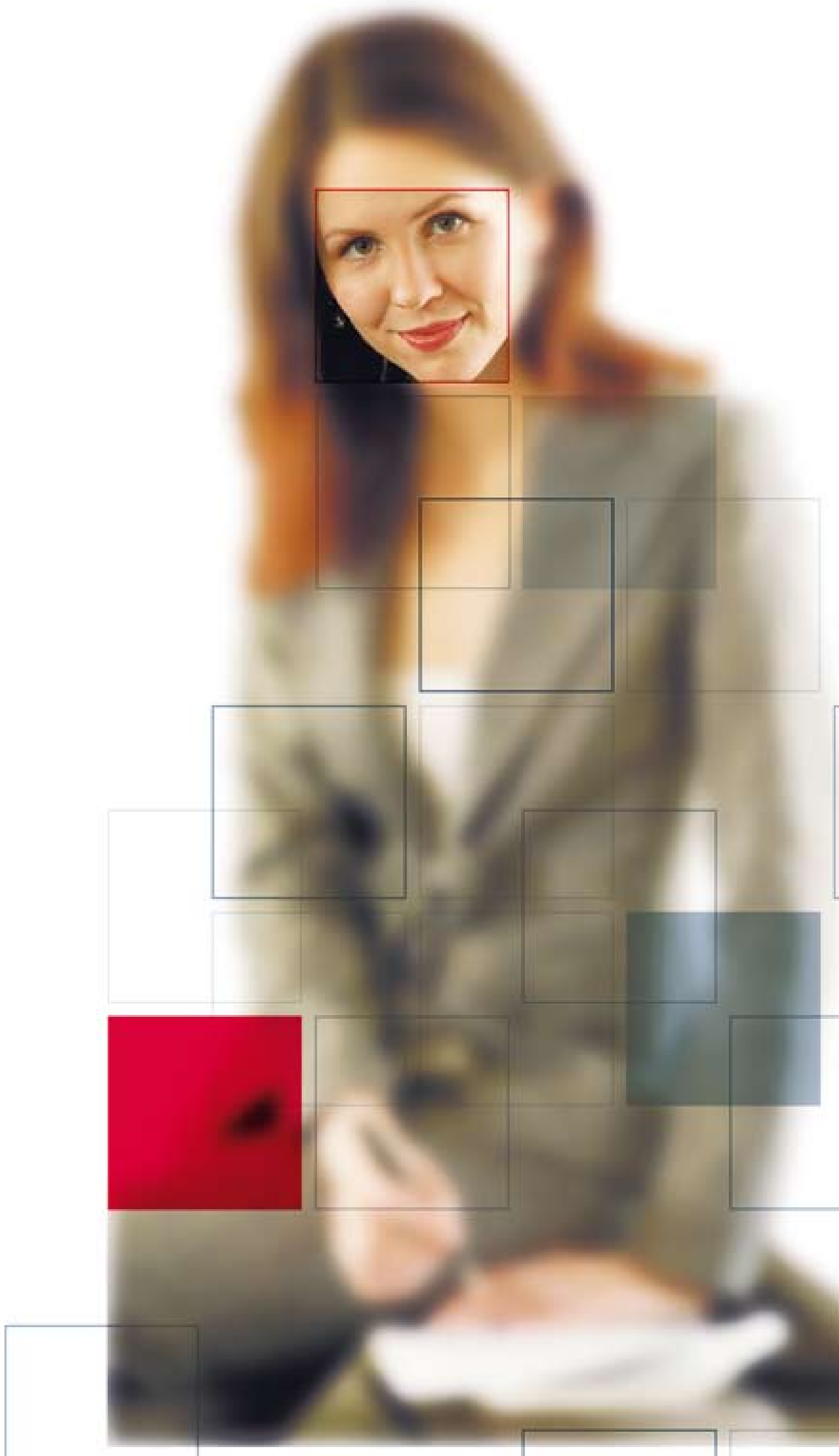
Manage risk with every decision

It is critical for you to know what your level of risk is in order to determine the appropriate path to take within your business processes.

For example, if a customer with an extensive claim history and recently increased coverage reports a new loss, the claim can be flagged for special handling. Once more information is gathered, the claim can be scored again and the adjuster will be provided with information on whether or not it is suspicious.

With SPSS Risk Control Builder, you begin by using business rules as a foundation for assessing risk and making recommendations for decisions. Business rules are patterns that represent existing knowledge about customers, customer behavior, policies, and claims. Incorporating your experience into the business rules increases the accuracy of the system and provides insight into how to handle a decision.

Business rules are most effective when used in conjunction with predictive models. While business rules alert agents to potential problems, relying solely on business rules to determine risk can lead to a high rate of false positives. And while predictive models can diminish the number of false positives, such models work best when combined with business rules.



SPSS Risk Control Builder enhances the insight gained through business rules by using predictive models to search for unknown relationships, detect suspicious patterns, and identify new situations that need to be reviewed. Predictive models refine business rules to identify suspicious interactions or transactions. The new data gathered during each interaction can also be collected and used to help you refine and enhance your models so that you can consistently reduce risk over time.

To help you gain the most value from combining business rules with predictive models, SPSS Risk Control Builder has a mechanism that combines the evaluations of the business rules with the results of the predictive models to create one outcome. This mechanism provides insight into how your business rules are refined by predictive models, enabling your business analysts, special investigation unit (SIU) managers, or adjusters to learn from the results and continually enhance their knowledge.

Simulate the impact of each assessment

Before you deploy recommendations, you need to understand the impact they will have on your organization. For example, lending decisions based on evaluations of creditworthiness may increase the amount of bad debt your organization carries, and potentially fraudulent claims will require additional resources for investigation and processing. The ability to simulate responses and easily make adjustments to your recommendations based on your business goals and constraints helps you make the best decisions for your customers and your business.

SPSS Risk Control Builder helps you evaluate the expected impact of each assessment by providing the ability to run it against a single transaction or a list of recent customer transactions. This process lets you see the risk level that would be assigned for each transaction and which rules would be triggered, enabling you to understand the reasoning behind the assessment, plan for all possible outcomes, and adjust your process accordingly.

Recommend the best options in real time

SPSS Risk Control Builders's open, Web services-enabled architecture makes it easy to integrate recommendations into your existing front office systems, such as call center applications, claims processing applications, or instant credit authorization systems, through standard integration interfaces.

When a customer makes a claim or submits a credit application—whether through a call center, online form, or in-person visit—SPSS Risk Control Builder analyzes the submitted information against a combination of customer information, characteristics, business rules, and fraud risk data. Based on this analysis, each submission is assigned a score that reflects its level of exposure and risk. The recommendation is sent to your call center or other business application, where the next appropriate operational step can be taken. For example, you might decide that high-risk claims need to be automatically transferred to the investigations department.

When the assessment is complete, information about the recommendation is logged. This information can then be matched with other transactions (such as previous claims or credit data) and additional operational data (such as fraud investigation results) to measure the effectiveness of the recommendations and enhance future predictive models.

Meet customer satisfaction and fraud prevention goals

In a world of higher customer expectations and global competitive pressures, your organization must be able to efficiently and effectively retain profitable customers while reducing risk and identifying fraud. SPSS Risk Control Builder provides the decision support you need to manage risk and fight fraud effectively without incurring greater costs or negatively affecting customer service.

When used in combination with SPSS Inc.'s portfolio of products for collecting customer feedback and analyzing and predicting behavior, SPSS Risk Control Builder enables you to leverage all of your data sources and analytic resources to maximize your company's profits and minimize your exposure to risk.

To learn more, please visit www.spss.com. For SPSS office locations and telephone numbers, go to www.spss.com/worldwide.

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