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3 Use Cases Risk and Fraud Leaders Must Implement Today

Crises are inevitable drivers of change and unpredictability, and therefore dangerous times for organizations. The uncertainty opens the door for fraud and creates new, unforeseen risks that weren't visible even a few months prior. For chief risk officers, this means confronting a new reality with tools and data that may no longer be up to the task.

CROs need to upgrade their visibility, and that requires looking outside their organizations for data. But, how can they be effective when collecting external data can take weeks or even months — time their organization doesn't have when dealing with multi-faceted forms of fraud and other risk?

The answer is, they can't. On one hand, CROs can continue to rely on their internal, and outdated, data to fend off new fraud methods and risks. On the other, they can take too long to respond to quickly evolving threats and leave themselves, and their organizations, exposed to an ever-changing threat landscape. Finding the right external data to complement their threat models can take too long to be feasible, and thus CROs are left to deal with one hand tied behind their backs.

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Mitigate risk with Explorium

Explorium was built to help combat the uncertainty that comes with relying on your internal data alone and provide you with greater visibility. Explorium's automated data discovery immediately connects your internal datasets to external sources, giving you the clarity and context you need to take more decisive actions to mitigate your risk and reduce the likelihood of fraud.

Automate your data discovery

When it comes to predicting risk and potential for fraud, time spent is time wasted. Spending weeks or months looking for the right external data to support your models costs more than just time. Explorium takes seconds to connect you to sources that can enhance your models and fraud prediction tools.

Some data sources Explorium uses to enrich your models:

- Economic data
- Geospatial data
- Company and financial data
- News events
- Financial markets data
- COVID-19 data

Distill Smarter Features

With better data comes the ability to distill more relevant and robust features for your risk and fraud models. Explorium generates hundreds of features from your enriched datasets, and automatically ranks them based on their relevance and effectiveness to give you an optimal feature set.

Some features Explorium provides for risk modeling:

- ✔ Risk scores based on alternative financial data
- ✔ Social and web activity surrounding domains
- ✔ Internet behavior
- ✔ Growth and stability indicators
- ✔ Company health scores based on alternative data

Get to production-ready faster

Explorium retrains your models using enriched data and smarter features for immediate results. Instead of spending months rebuilding your models for more accurate predictions, get them ready for production and scalable in minutes.

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Data science-driven risk modeling

Don't get caught by surprise in a world that's rapidly changing. Explorium will give you the data your models need to be prepared for times of crisis and will help your organization better weather the storm and set your organization up for success tomorrow.

Identify risk, faster

Crises require fast response, but you shouldn't sacrifice predictive quality. Explorium lets you speed up your risk modeling to find threats and opportunities for your organization and future-proof your operations. Plus, with faster production, you're able to be agile in tough situations — think of a new use case and have a model up and running in minutes.

Instant impact

In today's world, risk isn't an abstract concept — it's a harsh reality. Whether you're assessing loan applications, lending risk, or anything in between, you can quickly understand whether your clients will be around tomorrow, or if you need to reassess a relationship that could be risky. Deliver answers faster to your decision-makers, and position your organization much better.
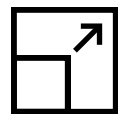
Scalability and explainability

Most importantly, risk is ever-changing. Expand your use cases and build new models in seconds using the best available data and connecting your internal datasets to external sources that can help you better predict the risk landscape in an uncertain world. Explorium allows full transparency into algorithms and data sources, so you can feel secure when handling regulations, audits, or other deep-dive questions.

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Explorium in action

It's no surprise that more risk teams are embracing machine learning to navigate these more unpredictable times with greater certainty.

From risk modeling to fraud detection, see how Explorium has helped some of our customers cut down on threats and position themselves better.

Ready to see what Explorium can do for you? Schedule a call with one of our solution experts.

Claims fraud detection

An insurance provider was having difficulty dealing with the rising number of fraudulent claims on its platform due to the sophistication of fraud efforts. Their machine learning model was 77% effective, but it was still losing heavily on claims-related costs tied to every transaction. By connecting its data to Explorium, the company was able to improve its fraudulent claim detection by 9% initially and reduced its claim-related costs by 13%. In the long run, it was able to improve its fraud detection rate to 89% of all cases.

Business lending risk prediction

A global financial services provider gives financing to small businesses and was facing increased difficulties determining which companies to work with as global markets slow down. The company had been noticing a rising number of default risks, and new applicants with less sound financials, despite having seemingly strong credit. The company was experiencing a 9% default rate on its more recent, short term loans, and needed to decrease that number, fast. Connecting to Explorium's business and financial datasets, the lender managed to improve its scoring model, and reduced its default rate by 5% in short order, reducing costs overall.

Insurance application fraud detection

An online lender has attempted to expedite its application process by embracing machine learning modeling but has seen a high number of fraudulent applications slip through its detection process, resulting in high costs. The company was losing nearly $3 for every $1 dollar tied to a fraudulent application, with nearly a quarter of its charge-offs tied to application fraud. By enhancing its credit scoring models with Explorium, the lender managed to reduce its lending costs and charge-offs by 15%, and boost its fraud detection rate on applications to 92% of all applications.

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