**Insurance Fraud Detection**

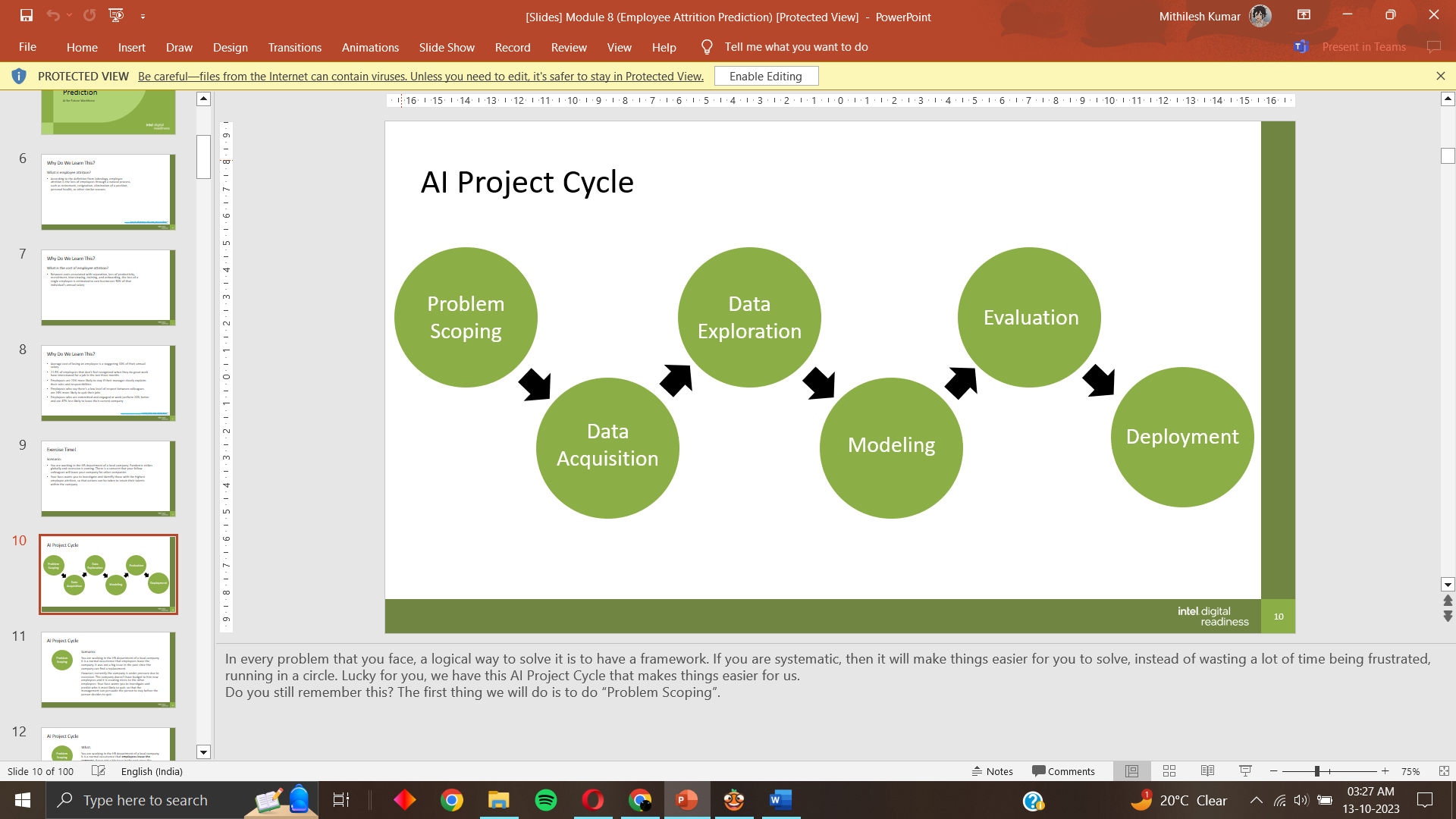
What is Insurance Fraud?

* Providing untruthful or incomplete information in applications.
* Submitting a claim for loss based on misleading or exaggerated claims.
* Untruthful dealings with insurer with the intention of gaining a benefit under the insurance contract.

Why Learn This?

* The FBI estimates that the total cost of insurance fraud (excluding health insurance) is more than $40 billion per year.
* Insurance fraud costs the average U.S. family between $400 and $700 per year.
* The Coalition Against Insurance Fraud (CAIF) estimates that workers’ compensation insurance fraud alone costs insurers and employers $6 billion a year.

**AI PROJECT CYCLE**



**Problem Scope**

Take a scenario, You are working in an insurance company. Your company receives a lot of insurance claims every day, but they do not know whether they are real claims or fraudulent cases.

Your boss wants you to investigate, if there is a better way to identify the claims as genuine or frauds. He gives you all the previous cases of insurance claims with tags, whether they are genuine or fraud.

**Steps involved throughout data mining in Orange**

