

SAS's knowledge and insurance-ready models enable our company to realize complex solutions in 50% less time." SAS's solution in the AML world, using ready-made models and knowledge, enabled our company to assimilate complex and advanced capabilities in a short time to meet challenging regulatory timetables.

Amit Geva
CIO & EVP
Ayalon Insurance



Ayalon Insurance deploys SAS Anti-Money Laundering to comply with new anti-money laundering regulations in insurance



Solutions SAS® Anti-Money Laundering

- SAS solutions has the ability to handle complex validation scenarios.
- Ayalon is using transaction scenarios and on-line scoring.
- A hybrid approach offers higher detection percentage.
- The AML's capabilities provide added value around compliance and will support new product development over the next 5-10 years.

SAS help insurers to meet challenging regulatory timetable

Ayalon Insurance is one of the six largest insurance companies in Israel, in terms of volume of sales. In recent years, it has also shown high rates of growth in the insurance and finance industry in all areas of activity. Its lines of business include life and non-life insurance, longterm savings and health insurance. The company has been a customer of SAS for some time, using analytics products in a range of ways. For example, it uses SAS Visual Analytics as its business intelligence solution for everyone from the CEO down to insurance agents, and the finance division works with SAS financial solution to develop life and non-life reports.

It was, therefore, not surprising that Ayalon turned to SAS when it needed a solution to support compliance with new anti-money laundering regulations.

Money laundering is a growing problem

Money laundering is a growing problem around the world. With financial systems tightening up and removing loopholes, criminals have increasingly turned to insurance as a way to 'clean' money. The use of brokers and agents makes the insurance sector particularly attractive, because these third parties may be less aware of the importance of screening customers or asking difficult questions, and significantly less alert to suspicious activity and forms of payment.

Suspicious activity in insurance, which may signal potential criminal links, includes early termination of products, particularly in the first few weeks. Agents and insurers should also be alert to customers using several different forms of payment, or purchasing several products at once, especially if they use the proceeds of a previous policy. Apparently unrelated policy beneficiaries can also be a signal that further investigation may be justified.

Governments and regulators, both national and regional, have been keen to prevent the insurance sector from being used to launder money. Ayalon was subject to new regulations in general insurance, longterm savings and health insurance, and therefore needed to be able to comply with these regulations.

Why Ayalon Insurance chose SAS

Ayalon engaged with SAS five years ago on a strategic enterprise data warehouse. Since then, the SAS platform has been serving thousands of users across multiple functions. The BI reports have supported operational and management decisions at many levels, from individual brokers, to department managers all the way to the CEO's dashboard.

When the AML regulations were announced, Ayalon defined requirements and explored multiple options, including self-development. "We chose SAS solutions for several reasons such as their ability to handle complex validation scenarios. In addition, Ayalon team's rich experience with the SAS solutions already in place, and users' comfort with the performance of the solution. Ayalon has confidence in the SAS team in Israel who understands Ayalon's business needs, better than any of the other vendors reviewed. Derisking the process was also important - timelines were short, and this did not allow for experiments. A proven solution was needed." said Amit Geva, Ayalon's CIO & EVP.

Anti-money laundering compliance, and beyond

Ayalon is using several different elements of SAS Anti-Money Laundering, including transaction scenarios and online scoring. A hybrid approach, with a number of tools in use at once, offers a much higher chance of detection. Ayalon deploys two detection streams. Firstly, overnight batch processing of daily applications is the simplest one. Secondly, online AML support for production systems like CRM, legacy systems which manage customer records on AS/400 and additional systems that drive web based applications. SAS AML was able to handle both detection streams in a fluent manner that has impressed the Ayalon team.

Ayalon has implemented SAS Anti-Money Laundering in several phases, starting with the most immediate needs. It expects to further exploit AML's capabilities to provide added value around compliance, and support new product development over the next 5-10 years. In particular, supporting Ayalon's growing ecosystem of agents, independent brokers and 3rd party companies mean an analytics platform that can both assure compliance and support creative portfolio development which is critical. "Working with SAS gives us two strategic benefits: the immediate need is compliance with AML regulations and its various complexities. SAS product exceeds these requirements while supporting effective business processes. For the longer term, SAS team's knowledge of insurance and best practices are important consideration, as Ayalon continues to innovate." said Amit Geva, Ayalon's CIO & EVP.



50%

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