



FOR IMMEDIATE RELEASE

EFG Companies Safeguards Dealers' Reinsurance Positions and Saves More Than \$100,000 Annually Through Formal Fraud Detection Protocols

DALLAS, TX (September 22, 2020) EFG Companies, the innovator behind the award-winning Hyundai Assurance program, has bolstered its formal fraud detection program for retail automotive dealers, creating significant roadblocks against fraud and theft while protecting dealer reinsurance positions. The multi-point program includes real-time call and repair order monitoring and auditing, in-depth training, a proprietary claims system lockdown protocol, and cutting-edge virtual claims inspections, designed to save the dealership more than \$100,000 annually in fraud and claims savings.

According to the Coalition Against Insurance Fraud, fraud accounts for up to 10 percent of claims costs for U.S. insurers, with 32 percent of insurers saying fraud was as high as 20 percent of claims costs. In the F&I industry, those costs directly affect dealership reinsurance positions, impacting the dealer's bottom line, underwriting profit and investment income.

To protect client reinsurance positions from fraud and ensure quality customer service, every inbound call to EFG's claims operations is recorded, and a dedicated audit team reviews 300+ claims and calls per month, checking for:

- Consistency with process
- Adherence to policy language/contract
- Validation of labor time and parts pricing
- Confirmation of mechanical failure
- Quality assurance of the transaction, including recorded call review
- Fraud detection

The company's trained supervisors review audited calls and claims directly with the associates who handled each claim. The entire claims operations team participates in quarterly training sessions designed to keep them ahead of any industry trends. They also participate in ongoing online training through EFG's proprietary L.O.V.E. learning management system.

Seventy-two percent of claims are handled by EFG in just one phone call. The cycle time on 75 percent of EFG claims is one day. Ninety-six percent of claims are paid electronically within one hour of claim approval.

Additionally, EFG restricts the hours in which claims may be approved using a proprietary claims system lock down protocol. With this in place, claims submitted after normal business hours will not be processed until the following business day, giving EFG greater control and oversight.

Inspection technology protects against fraud

EFG has implemented virtual claims inspection technology designed to significantly reduce claim cycle time and protect client reinsurance positions from claims fraud. Based on a two-month internal benchmark dealer analysis of 89 claims, this technology saved EFG clients more than \$10,000 in potential fraud and onsite claims cycle time. With this in place, EFG increased its detection rate of claims that require a greater level of investigation by 3.5 times.

The implementation of virtual inspections is a natural progression of EFG's over-arching initiative to give clients expert support with nationally award-winning administrative excellence. Now, EFG claims adjusters initiate virtual inspections for:

- Early claims, i.e., claims initiated within a month of vehicle purchase.
- Suspicious claims, i.e., when incomplete or contradicting information is provided.
- Repetitive claims, i.e., when similar failures occur shortly after initial claim is approved.
- Forged or padded repair orders, i.e., when a repair order does not match the information provided for a claim or when EFG receives a hand-written repair order.

Service managers receive live text updates on claim status and can upload photographic evidence of the vehicle's condition. Once the claim is approved, the repair facility can receive payment in as little as one hour, dramatically speeding up service appointments and improving customer service.

"Implementing this technology benefits our clients in three very specific ways," said John Pappanastos, President and CEO of EFG Companies. "First, it improves customer satisfaction and retention by creating greater efficiency in a given service appointment. Second, it enables dealerships to service more vehicles, as they are spending less time waiting for approvals and payments. Lastly, and most importantly, our automatic adjudication software dramatically improves fraud detection to protect our clients' reinsurance positions."

The software-based technology fits directly into EFG's existing claims process, enabling the company to process specific claims virtually, eliminating the need for costly, time-consuming claims inspectors. Additionally, leveraging the virtual inspection database, the technology is able to quickly detect fraudulent claims including duplicate claims and claims with false information. In these instances, a physical inspection is requested to validate the claim, which in turn saves the dealer thousands of dollars.

"Our dedication to quality customer service is the reason we are able to better safeguard our clients' reinsurance positions," said Jay Hartmann, Vice President of Operations at EFG Companies. "We've always operated from the principle of keeping a promise to a customer at a time when they need it most. This results in EFG providing award-winning claims administration, getting customers back on the road and in their vehicles."

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About EFG Companies

EFG Companies drives the industry's highest-reported compliant F&I profitability through its distinct engagement model in which the company operates as an extension of the dealer's management team. EFG addresses total dealership performance, and its client satisfaction Net Promoter score is higher than national corporate leaders such as Nordstrom, Ritz Carlton, and Amazon. Learn more about EFG at: www.efgcompanies.com.