

Insurance Company Strengthens Financial Crime Detection With Enterprisewide Solution



As a large mutual insurance company with millions of members, The Guardian Life Insurance Company of America (Guardian) knew it could be a target for financial crime. To proactively address money laundering and fraud threats, the company implemented the Financial Crime Risk Management Platform from Fiserv.

Client Profile



Every day, Guardian provides Americans the security they deserve through its insurance and wealth management products and services. Since their founding in 1860, Guardian's long-term view has helped its customers prepare for whatever life brings whether starting a family, planning for the future or taking care of employees. Guardian is a Fortune 250 mutual company and a leading provider of life, disability, dental and other benefits for individuals, at the workplace and through government sponsored programs. The Guardian community has over 9,000 employees and a network of over 2,500 financial representatives and has a strong financial foundation, which at year-end 2020 included \$9.5 billion in capital and \$1.7 billion in operating income.

→ Challenge

Insurance products are a target for sophisticated criminals, so Guardian decided to take proactive steps to prevent money laundering and financial crime and protect its customers. Guardian's diverse businesses and products required enhanced visibility into how money moved through the company. In 2015, the insurance company assembled a team to select, implement and manage a transaction-monitoring system.

→ Solution

Guardian selected the Financial Crime Risk Management Platform for watch-list filtering, sanction screening and transaction and fraud monitoring. Today, Guardian uses the platform to monitor all the company's covered products and report, document and manage cases. The centralized approach encourages collaboration and helps investigators organize, prioritize and manage investigations. It also creates a permanent audit trail for regulators.

→ Proof Points

With the Financial Crime Risk Management Platform and its solutions for anti-money laundering (AML) and fraud, Guardian can quickly review large volumes of data involving policies, parties and products against custom watch lists and insurance-specific scenarios. Automated alerts are ranked by risk to speed up investigations and everything analysts need to open a case is accessible within the platform, including e-filing for suspicious activity reports (SARs). Having a single platform for AML and fraud detection gives Guardian better visibility into risks and fosters greater collaboration.

In 2015, David Pedraza was hired to help select and implement an AML transaction-monitoring platform for Guardian. As part of his interview process, Pedraza asked, "What's the existing problem?"

There wasn't a problem at Guardian. But as a large insurance company with millions of customers, Guardian knew it was a potential target for financial crime and wanted to manage the risk effectively. The company wanted to proactively monitor transactions and gain more visibility into how money moved through the enterprise.

During the selection process, Pedraza met with vendors and demoed several transaction-monitoring platforms. Fiserv demonstrated more experience and working knowledge of insurance products. Pedraza said other vendors were "dipping their toes" into the industry and tried to get Guardian to adapt its business practices to their solutions.

Fiserv, on the other hand, tailored the Financial Crime Risk Management Platform to fit Guardian's business model, said Beatriz Henriquez-Tong, Guardian's director of anti-financial crime technology.

"They asked the right questions to uncover our biggest risks," she said, "and they helped us build scenarios to address our business model."

To help make the decision, Pedraza, now Guardian's director of AML surveillance, also spoke with Fiserv customers.

"People were happy with the platform and said it worked well," he said. "Fiserv customers also talked about the support. They said Fiserv was responsive, quick to address issues and helpful in finding solutions."

The Financial Crime Risk Management Platform standardizes and consolidates behavioral monitoring to provide an integrated set of sophisticated capabilities that detect, investigate and resolve risks around clients and their transactions across different products, channels and geographies. The open platform enables organizations to develop further capabilities that are tailored to their needs. Individual solutions, such as AML Risk Manager and Payment Fraud Manager from Fiserv, are part of the platform.



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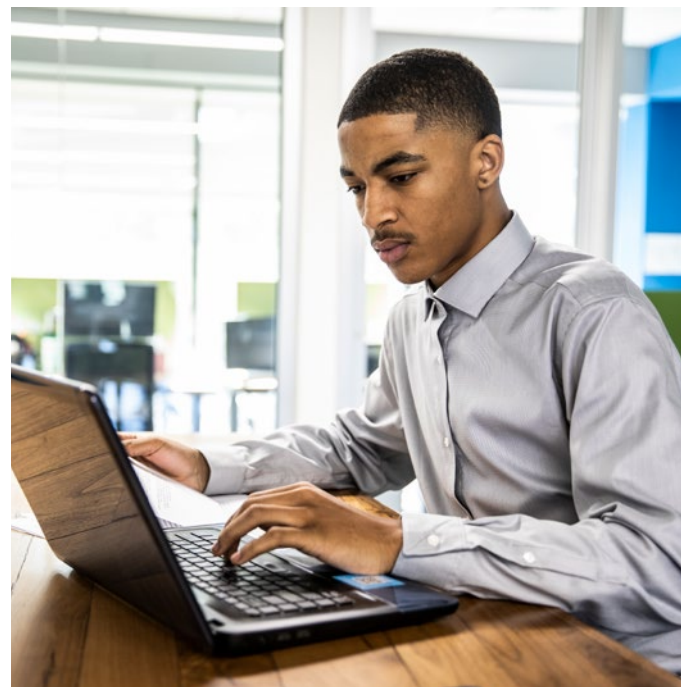
Beatriz Henriquez-Tong

Director of Anti-Financial Crime Technology, Guardian

Ultimately, the platform's functionality and the professional services associates at Fiserv won Guardian over. Once the decision was made, Guardian worked hand in hand with Fiserv to develop initial transaction-monitoring scenarios and watch-list functionality.

"We had workshops that were extremely beneficial," Henriquez-Tong said. "We delved deep into the operations of the company to find our greatest risks and design scenarios."

In 2016, Guardian deployed the platform and the anti-money laundering solution, AML Risk Manager.



Proactive Monitoring

AML Risk Manager scans transactions and events involving policies, parties and products based on known life insurance money-laundering typologies, such as lump-sum payments, loan withdrawals or non-financial events. Guardian's customer and vendor data is automatically screened against sanction lists as well as custom lists created by Guardian and third-party data service providers. The enhanced matching technology detects match variations in data such as dates, addresses and names to uncover potential financial crime.

Before Guardian implemented AML Risk Manager, alerts came from referrals and were managed with spreadsheets. "It was manual and fragmented," Pedraza said.

Over time, Guardian added more products and lines of business to the platform so it could monitor and map transactions across the business. As of 2021, all the company's covered products are monitored by the platform.

Upgraded Capabilities, Expanded Value

In 2020, Guardian upgraded its implementation, adding Payment Fraud Manager. The upgrade included a new alert investigation portal with a dashboard that includes customized grouping of relevant alert information.

"It's the centerpiece of our financial crimes team," Pedraza said. "Everything you need to start an investigation pops up on tiles on your dashboard. It saves analysts a lot of time and it's very user-friendly and responsive."

With the later version, Guardian also gained a direct connection to the U.S. Financial Crimes Enforcement Network to e-file SARs.

"Everything happens with the push of a button," Pedraza said, "including the acknowledgement from FinCEN."



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David Pedraza
Director of AML Surveillance, Guardian

Guardian also leveraged the platform to create an enterprisewide referral center. Through the platform's intake questionnaires, suspicious activity and other concerns can be reported by anyone in the business.

"Before, different teams had different methods for referral – phone, email, forms," Henriquez-Tong said. "Everyone was doing something different. Fiserv gave us the capability to create a referral process that has real value for the whole company."

Working Together

With other companies, products are implemented and then the relationship ends. But that's not been Guardian's experience with Fiserv.

"There has been constant support from day one," Henriquez-Tong said. "The Fiserv support team has been involved with us for six years and they know our environment very well."

The relationship has been collaborative, Pedraza and Henriquez-Tong said. In fact, some of Guardian's ideas are included in the latest AML Risk Manager release.

"It's great to talk to a vendor about what could be done better and have them be responsive to your needs," Pedraza said. "Their willingness to incorporate our suggestions is key."

Advice to Others

Before Guardian selected the platform, Pedraza and his team had a lot of frank conversations with Fiserv customers. Guardian spoke with references Fiserv provided and platform users he found through his own research.

Pedraza encouraged others to do the same.

“Do your due diligence on the platforms you’re considering,” he said. “Consider your needs instead of trying to fit in to a vendor platform.”

Pedraza and Henriquez-Tong also found a supportive user community through Fiserv annual conferences and user group meetings.



Fiserv does a good job of fostering a collaborative environment.


David Pedraza
Director of AML Surveillance, Guardian

“People have been more than willing to discuss how they’re using the solution,” Pedraza said. “Fiserv does a good job of fostering a collaborative environment. We bounce ideas around and share information with other platform users so we can all move forward.”



Connect With Us

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