



Online Fraud & Security

*Online Certificates – History &
Future*

- Introduction
- History of certificate issuance
- Potential for fraud today
- Outlook for the future

- Hackers disrupting port and transportation operations
- Pirates accessing GPS and navigational data to intercept vessels
- Potential for certificate fraud

Manual preparation by insurer clerical staff



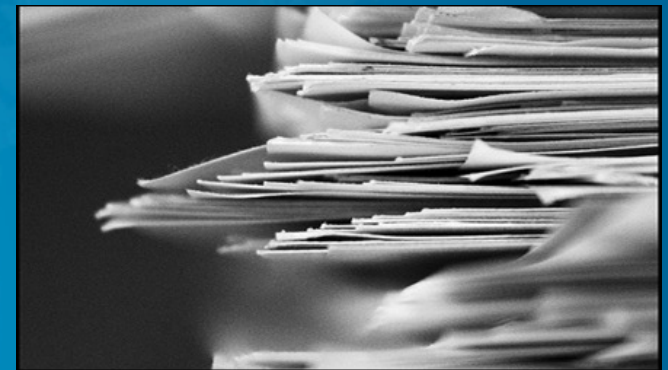
Pros

- Difficult to falsify
- Tight underwriting & document controls

Cons

- Long turnaround
- No data for analysis

Manual preparation by brokers and/or clients



Pros

- Reduced clerical work for insurance companies
- Improved turnaround time

Cons

- Difficult to control blank certificates
- No data for analysis

1st Generation PC Based systems



Pros

- Improved efficiency for clients
- Some control over policy terms

Cons

- Limited control by insurance companies
- Difficult to update systems

Online, real time certificate issuance



Shipment Activity																							
Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Total Shipments								
17,000	15,154	16,322	16,852	16,276	15,911	17,166	15,270	14,568	16,512	15,028	14,615	15,264	14,871	16,305	227,946								
15,670	14,450	15,992	17,176	16,071	15,764	17,256	15,675	15,244	16,405	14,457	14,561	15,476	14,760	16,304	219,714								
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0								
300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	3,600								
40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	480								
2,000	2,100	2,200	2,300	2,400	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	30,000								
4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,100	5,200	5,300	5,400	54,000								
7,000	7,100	7,200	7,300	7,400	7,500	7,600	7,700	7,800	7,900	8,000	8,100	8,200	8,300	8,400	90,000								
1,000	1,100	1,200	1,300	1,400	1,500	1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	24,000								
400	410	420	430	440	450	460	470	480	490	500	510	520	530	540	5,400								
2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900	39,000								
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0								
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0								
630	630	630	630	630	630	630	630	630	630	630	630	630	630	630	7,560								
8,720	8,720	8,720	8,720	8,720	8,720	8,720	8,720	8,720	8,720	8,720	8,720	8,720	8,720	8,720	104,640								
9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	114,840								
310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	3,720								
105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	1,260								
300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	3,600								
201	214	228	241	255	269	282	296	310	324	338	352	366	380	394	4,500								
70	62	54	46	38	30	22	14	6	0	0	0	0	0	0	200								
8,210	8,022	7,835	7,648	7,460	7,273	7,086	6,899	6,712	6,525	6,338	6,151	5,964	5,777	5,590	63,720								
700	691	682	673	664	655	646	637	628	619	610	601	592	583	574	6,800								
50	52	54	56	58	60	62	64	66	68	70	72	74	76	78	800								
10,317	10,317	10,317	10,317	10,317	10,317	10,317	10,317	10,317	10,317	10,317	10,317	10,317	10,317	10,317	123,804								
170	170	170	170	170	170	170	170	170	170	170	170	170	170	170	2,040								
8,902	8,902	8,902	8,902	8,902	8,902	8,902	8,902	8,902	8,902	8,902	8,902	8,902	8,902	8,902	106,824								
20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	240								
40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	480								
300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	3,600								
400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	4,800								
10,226	11,142	12,058	12,974	13,890	14,806	15,722	16,638	17,554	18,470	19,386	20,302	21,218	22,134	23,050	230,420								
10,077	10,044	10,011	10,078	10,145	10,212	10,279	10,346	10,413	10,480	10,547	10,614	10,681	10,748	10,815	126,000								
904	893	882	871	860	849	838	827	816	805	794	783	772	761	750	8,640								
8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	106,800								
5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	66,696								
105,176	106,734	108,292	110,850	113,408	115,966	118,524	121,082	123,640	126,198	128,756	131,314	133,872	136,430	138,988	1,377,000								

Pros

- Improved control for underwriters
- Discovery: Very little evidence of online certificate fraud

Cons

- Multiple systems, multiple places for data



- Systems have different levels of validation against policy terms
- Balance underwriting control with customer's ease-of-use
- Limited control over number of “Original” certificates issued
- Automation is not a replacement for human involvement



- Online certificates will continue to be important globally
- Compliance will continue to drive Insurer use
- New technologies have the potential to change what we consider a certificate
- Using additional data sources could reduce fraud potential



Thank You

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