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Fraud - Is it a growing trend?

Paul Blyth

Head of Underwriting and Claims Proposition

SCOR

How Big Is Fraud?

Value of average insurance fraud jumped 20% in 2022

According to ABI figures

The Association of British Insurers (ABI) has revealed that despite a 19% decline in the volume of fraudulent insurance claims detected in 2022, the value of the average scam increased 20% year-on-year to £15,000, compared to £12,283 in 2021.

The total number of fraudulent claims detected last year dropped to 72,600 cases compared to 89,000 in 2021, but the value of an average scam fell at a lower rate following higher inflation and a £134m rise in the value of property frauds.

Earlier this year, The City of London Police's Insurance Fraud Enforcement Department (IFED) detailed a **61% increase in opportunistic fraud cases** between March 2022 and April this year, although only 4.5% of these cases related to life insurance fraud.

Overall, the total cost of claim frauds to the industry remained the same YoY at £1.1billion.





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Examples of Fraud

Examples of Fraud

Irish Case – Mr Massoud



- Mrs Massoud had allegedly found a breast lump while showering
- She was referred to her husband who was a Consultant Surgeon in Ireland, who insisted on carrying out the surgery himself saying that she should be given only the best care even though this contravened rules from the Medical Council
- On her claim form, Mrs Massoud noted the name of a different consultant as having carried out the surgery
- Surgery was performed and the histology was provided to the insurer showing Mrs Massoud as suffering from an invasive breast cancer
- The claim was judged to be valid and payments we made totalling €730,000
- A tip off was made to the insurers that Dr Massoud had a tissue sample in his home that had been bought back from Egypt and investigations commenced
- During the course of Court case the following was found:
 - Mrs Massoud had a large scar on her breast so had definitely undergone surgery
 - However, the mammogram taken 1 month later showed no evidence of tissue being removed from the breast
 - The Histology sample was retrieved and the DNA was found to be from a relative
- Mrs Massoud's mother had in fact been diagnosed with breast cancer in Egypt and a DNA expert determined it was 99.5% certain that the tissue was her mothers



Examples of Fraud

UK Case – Overseas Claim

United Kingdom
LHR
London

Pakistan
ISB
Islamabad

Distance
3781 miles · (6084 km)

↔ CHANGE DIRECTION

Flight time
8 hours and 00 minute

Critical Illness Plans

Insurer A – £50,000 (PAID)

Insurer B - £150,000 (Pending)

Insurer C - £100,000 (Pending)

Insurer D - £150,000 (PAID)

CMO Comments: "Whilst it would have been better to see a fuller report and the ECGs from the time of admission, there is certainly evidence of an MI, with a regional wall motion abnormality on the stress echo and Q waves in III and aVF on the ECG. Thus, the UK evidence is in favour of there having been an MI (though cannot time it)"

- The hospital confirm hospital form not completed correctly (no patient control number referenced)
- The doctors listed (Zahoor & Afstad) are not associated with hospital
- The hospital computer records hold no record of claimant attending the hospital or being treated there
- Have been unable to further contact claimant - appears to have gone to ground. All calls go to VM



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Examples of Fraud

Multi-Market Fraud



Ireland*:

Insurer 1: Incept: 01/08/18 €1,545,000 - Diagnosis: 17/06/20 - PAID

Insurer 2: Incept: 01/06/18 €500,000 - Diagnosis: 17/06/20 – PAID

United Kingdom:

Insurer 3: Incept: 07/08/18 £750,000 - Diagnosis: 14/12/20 – PAID

Insurer 4: Incept: 08/12/20 £600,000 – Diagnosis: 14/12/20 – Pending

Dubai:

Insurer 5: Incept: 28/02/19 £700,000 – Details unknown at present

Insurer 6: Incept: 03/02/22 £650,000 – Reported first symptoms: 14/09/22

Paid amounts: £2,500,000 (Approx)

Pending amounts: £1,950,000 (Approx)

TOTAL = £4,450,000

** Note: When applying for cover in Ireland, he had an additional €2,400,000 spread across 3 insurers declined on financial grounds*





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Technology is an Enabler to Fraudsters

How Big Is Fraud?

Recent Cover Article

Rise of AI-enabled fraud

Claims handler survey

Claims automation firm, Sprout.ai, has released research showing that artificial intelligence (AI)-influenced insurance claims fraud is on the rise.

The report, which surveyed 200 UK claims handlers, indicated that 19% of respondents thought that up to one in four claims now involve fake supporting documents that were influenced by AI and digital tools.


It also showed that 65% of insurance claims handlers had seen an uptick in fraudulent claims since 2021. Of those asked, 64% suspected AI had been used to create or alter claims documents in 5-10% of all cases.

Health claims were targeted in the report, health and dental insurance claims both were suspected of being targeted by AI fraud.



Customer Supplied Evidence

Is It Legitimate?


| | |
|--|---|
| Discharge Date: 30/06/2023 Version Number: 1 | |
| Inpatient Discharge Summary |  North Cumbria Integrated Care NHS Foundation Trust |

GP Details

| Personal Details | Admission Details |
|------------------|---|
| | Admission Date: 22/06/2023 Discharge Date: 30/06/2023 Current Ward: THE HEART CENTRE Location: Cumberland Infirmary Discharge Destination: Home |

Advice, Recommendations and Future Plans

| | |
|---|--|
| GP Action: | "Please uptitrate ACEi according to blood pressure and renal function. Target to achieve maximum tolerated dose in 4-6 weeks. Commenced on ACEi as inpatient, please check U+Es in 2 weeks time. Please also check potassium at 2 weeks (started on Mineralocorticoid Receptor Antagonist). Then after, monthly for 3 months, then every 3 months for 1 year, and then every 6 months. Statin started as inpatient, please check LFTs within 3 months. Non HDL cholesterol 4, please recheck after 3 months, target reduction to 1.6 |
| Date: | 14/07/2023 |
| Additional Comments: | |
| Further Investigations including specific Hospital Follow-Up Plans | Follow up with Cardiac rehab Follow up with IHD clinic in 3 months Repeat echo in 3 months |

| | |
|--|---|
| Discharge Date: 30/06/2023 Version Number: 1 | |
| Inpatient Discharge Summary |  North Cumbria Integrated Care NHS Foundation Trust |

GP Details

| Address: AMWELLSURGERY Fawkon Walk Hoddesdon | | Registered GP: Dr S MAYES Practice Code: A82021 Preferred GP: Dr | |
|--|--|--|--|
| Postcode: EN11 8FG | | Contact Number: 01992 938120 | |
| Personal Details | Admission Details | | |
| Name: Paul Blyth Hospital No: 1095516 NHS Number: 402 313 8002 Date of Birth: 10/04/1979 Address: 10 Lime Street, London, EC3M 7AA Contact Tel No: 07790 957 190 | Admission Date: 22/06/2023 Discharge Date: 30/06/2023 Current Ward: THE HEART CENTRE Location: Princess Alexandra Hospital Discharge Destination: Home | | |

Advice, Recommendations and Future Plans

| | |
|---|--|
| GP Action: | "Please uptitrate ACEi according to blood pressure and renal function. Target to achieve maximum tolerated dose in 4-6 weeks. Commenced on ACEi as inpatient, please check U+Es in 2 weeks time. Please also check potassium at 2 weeks (started on Mineralocorticoid Receptor Antagonist). Then after, monthly for 3 months, then every 3 months for 1 year, and then every 6 months. Statin started as inpatient, please check LFTs within 3 months. Non HDL cholesterol 4, please recheck after 3 months, target reduction to 1.6 |
| Date: | 14/07/2023 |
| Additional Comments: | |
| Further Investigations including specific Hospital Follow-Up Plans | Follow up with Cardiac rehab Follow up with IHD clinic in 3 months Repeat echo in 3 months |

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Customer Supplied Evidence

Possible Controls?

PDF File:

File



Properties



Description

Page 1 of 5 Hospital: Princess Alexandra Ward: THE HEART CENTRE Lead Consultant: DR J Sayer Drug Allergies: NONE

| | |
|--|--|
| Discharge Date: 30/06/2023 Version Number: 1 | |
| Inpatient Discharge Summary | North Cumbria Integrated Care NHS Foundation Trust |

| GP Details | |
|--|---|
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| Advice, Recommendations and Future Plans | |
|--|---|
| GP Action: | *Please uptitrate ACEi according to blood pressure and renal function. Target to achieve maximum tolerated dose in 4-6 weeks. Commenced on ACEi as inpatient, please check U+Es in 2 weeks time. Please also check potassium at 2 weeks (started on Mineralocorticoid Receptor Antagonist). Then after, monthly for 3 months, then every 3 months for 1 year, and then every 6 months Statin started as inpatient, please check LFTs within 3 months. Non HDL cholesterol 4, please recheck after 3 months, target reduction to 1.6 |
| Date: | 14/07/2023 |
| Additional Comments: | |
| Further Investigations including specific Hospital Follow-Up Plans | Follow up with Cardiac rehab Follow up with IHD clinic in 3 months Repeat echo in 3 months |

Document Properties

Description Security Fonts Initial View Custom Advanced

Description

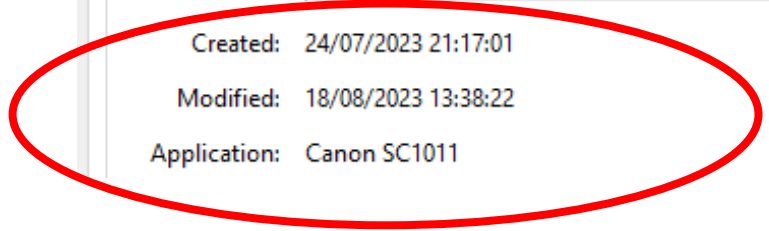
File: Cons report V2.pdf

Title:

Author:

Subject:

Keywords:



Created: 24/07/2023 21:17:01
 Modified: 18/08/2023 13:38:22
 Application: Canon SC1011



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Customer Supplied Evidence Resistant AI

demo-rai.documents.resistant.ai/u/analysis/ceb1f436-e20f-44af-a5b4-c362b76736a5

Cons report V2.pdf page: 1/5

Fraud Analysis

HIGH RISK

Author - Submission ID: ceb1f436-e20f-44af...
Creation date: 24/07/2023 21:17:01 Modified date: 18/08/2023 14:38:22

Risk indicators 6 risk indicators

- Edited using editor 32 [Show](#)
- Suspicious fonts 21 [Show](#)
- Contains word over image 260 [Show](#)
- Contains hidden words 376 [Show](#)
- Evidence of modification based on document trailer
- Evidence of modification based on document metadata

Time of creation is 2023-07-24T19:17:01+00:00 but the time of modification is 2023-08-18T12:38:22+00:00. This may indicate that the document was updated or modified. The time span between creation and modification is 24 days, 17:21:21.

| METADATA | | |
|---------------------|---------------------|-------------------|
| Creation date | Modification date | Date span |
| 24/07/2023 21:17:01 | 18/08/2023 14:38:22 | 24 days, 17:21:21 |

Info indicators 1 info indicator

Date Generated: 30/06/2023 13:46 Page 1 of 5 Hospital: Princess Alexandra Ward: THE HEART CENTRE Lead Consultant: DR J Sayer Drug Allergies: NONE
NHS Number: 402 313 8002
Hospital No: 1095516
Patient Name: PAUL BLYTH

Discharge Date: 30/06/2023 Version Number: 1

| | | |
|------------------------------------|--|--|
| Inpatient Discharge Summary | | North Cumbria Integrated Care NHS Foundation Trust |
|------------------------------------|--|--|

| GP Details | |
|---|---|
| Address: AMWELLSURGERY Fawkon Walk Hoddesdon | Registered GP: Dr S MAYES Practice Code: A82021 Preferred GP: Dr |
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| Advice, Recommendations and Future Plans | |
|--|---|
| GP Action: | "Please uptitrate ACEi according to blood pressure and renal function. Target to achieve maximum tolerated dose in 4-6 weeks. Commenced on ACEi as inpatient, please check U+Es in 2 weeks time. |



Customer Supplied Evidence Resistant AI

The screenshot displays a web-based document analysis tool. The browser address bar shows a URL: `demo-rai.documents.resistant.ai/ul/analysis/ceb1f436-e20f-44af-a5b4-c362b76735a5`. The document title is "Cons report V2.pdf" and it is on page 1 of 5.

Fraud Analysis Sidebar:

- HIGH RISK** (indicated by a red bar)
- Author: -
- Submission ID: ceb1f436-e20f-44af...
- Creation date: 24/07/2023 21:17:01
- Modified date: 18/08/2023 14:38:22
- Risk indicators:** 6 risk indicators (Expanded)
- Edited using editor: 32 (Show)
- Suspicious fonts: 21 (Show)
- Contains word over image: 260 (Hide)
- Contains hidden words: 376 (Show)
- Evidence of modification based on document trailer
- Evidence of modification based on document metadata
- Time of creation is 2023-07-24T19:17:01+00:00 but the time of modification is 2023-08-18T12:38:22+00:00. This may indicate that the document was updated or modified. The time span between creation and modification is 24 days, 17:21:21.
- METADATA**

| Creation date | Modification date | Date span |
|---------------------|---------------------|-------------------|
| 24/07/2023 21:17:01 | 18/08/2023 14:38:22 | 24 days, 17:21:21 |

- Info indicators:** 1 info indicator


Document Content (Inpatient Discharge Summary):

- Discharge Date: 30/06/2023, Version Number: 1
- GP Details: Registered GP: Dr S MAYES, Practice Code: H02023, Preferred GP: Dr...
- Personal Details: Name: Paul Dyer, Hospital No: 1095516, NHS Number: 402 313 5002, Date of Birth: 19/04/1979, Address: 10 Lime Street, London, EC3M 7AA, Contact: Tel No: 07790 857 190
- Admission Details: Admission Date: 22/06/2023, Discharge Date: 30/06/2023, Current Ward: THE HEART, 12th FLE Locater, Phoenix, Alexandra Hospital, Discharge Destination: Home
- Advice, Recommendations and Future Plans: Please update ACEI according to blood pressure and renal function. Target to achieve maximum tolerated dose in 4-6 weeks. Commenced on ACEI as inpatient, please check U+E in 2 weeks time. Please also check potassium at 2 weeks (started on Mineralocorticoid Receptor Antagonist). Then after, monthly for 3 months, then every 3 months for 1 year, and then every 6 months. Statin started as inpatient, please check LFTs within 3 months. Non-HDL cholesterol 4, please recheck after 3 months, target reduction to 1.8.
- Additional Comments: Further investigations: Follow up with 3-6 clinic in 3 months. Hospital Follow-up: Repeat echo in 3 months.
- Diagnosis at Admission: Atrial STEMI
- Palliative Care: Preferred Place:



Customer Supplied Evidence

AI Generated Documentation

CERTIFIED COPY  **OF AN ENTRY** **BAA 628168**
Pursuant to the Births and Deaths Registration Act 1953

| DEATH | | Entry No. 117 |
|---|--|---|
| Registration district Westwood | | Administrative area |
| Sub-district Westwood central | | County of Hertfordshire |
| 1. Date and place of death Fifteen July 2023 St. Mary's Hospital, Westwood | | |
| 2. Name and surname John Doe | | 3. Sex Male |
| | | 4. Maiden surname of woman who has married |
| 5. Date and place of birth Twenty-third August 1982 United Kingdom | | |
| 6. Occupation and usual address Underwriting and Claims Propositions Manager 8 Lord St, Hoddesdon EN11 8NA | | |
| 7.(a) Name and surname of informant Jame Smith | | (b) Qualification Wife Present at the death |
| (c) Usual address 8 Lord St, Hoddesdon EN11 8NA | | |
| 8. I certify that the particulars given by me above are true to the best of my knowledge and belief Jame Smith | | Signature of informant |
| 9. Cause of death I The deceased sustained injuries consistent with a cycling accident, resulting in severe blunt force trauma. II An examination revealed a skull fracture, which contributed to the fatal outcome. Certified by T Khiji MB | | |
| 10. Date of registration Eighteen July 2023 | | 11. Signature of registrar T S Milner Interim Registrar |

Certified to be a true copy of an entry in a register in my custody.

T S Milner {Interim} *Superintendent Registrar / *Registrar Date 13/6/07.
*Strike out whichever does not apply

CAUTION: THERE ARE OFFENCES RELATING TO FALSIFYING OR ALTERING A CERTIFICATE AND USING OR POSSESSING A FALSE CERTIFICATE. ©CROWN COPYRIGHT

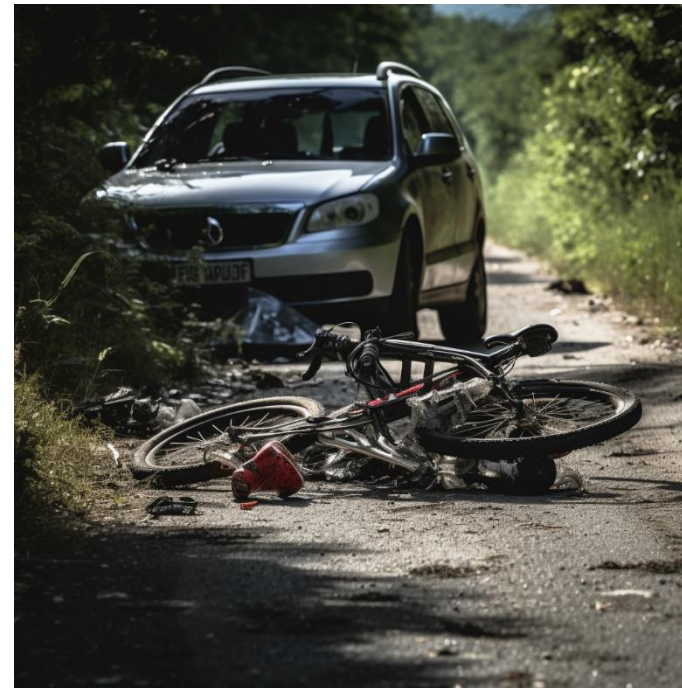
System No. 500259880 **WARNING: A CERTIFICATE IS NOT EVIDENCE OF IDENTITY.**

9. Cause of death

I The deceased sustained injuries consistent with a cycling accident, resulting in severe blunt force trauma.

II An examination revealed a skull fracture, which contributed to the fatal outcome.

Certified by T Khiji MB



6. Occupation and usual address
Underwriting and Claims Propositions Manager
8 Lord St, Hoddesdon EN11 8NA



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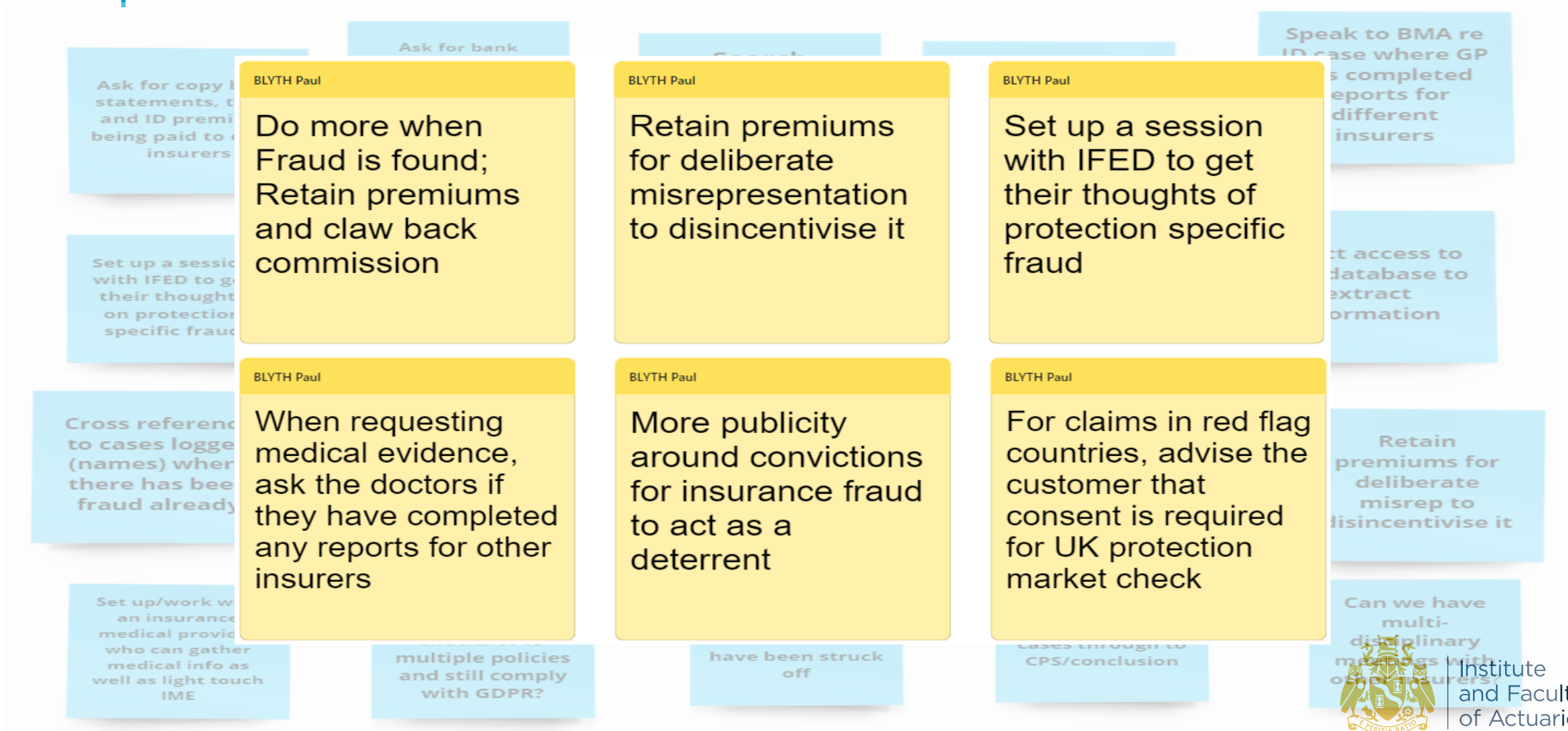


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Fraud Workshops

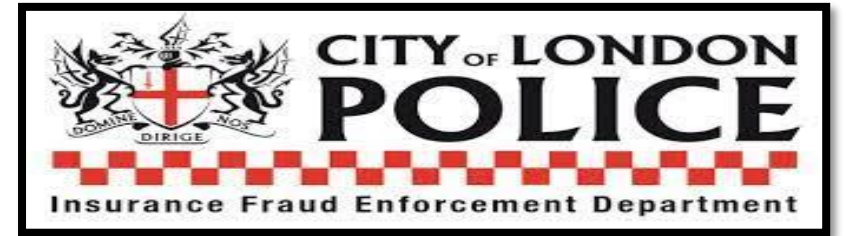
Industry Fraud Discussion

Workshop 1 - Brainstorm



Industry Fraud Discussion

Workshop 2 - Information Gathering



Industry Fraud Discussion Workshop 2 - Brainstorm

Fraud detection wishlist - Group 1

BLYTH Paul

A database/register to be used by the industry. Considerations to discuss further:
* All claims?
* Suspicious claims?
* Claims in certain territories?

BLYTH Paul

CSE validation
Can Tara's 3rd eye be used as an additional control?
Does it still work on documents that are originals?

BLYTH Paul

Insurance Fraud Bureau register: How can this be used? Do we need to prove fraud first?
Can we add suspicious claims still under investigation?

BLYTH Paul

For overseas do we need to routinely validate with the overseas registrar? Sir process to C validation?

BLYTH Paul

A database/register to be used by the industry. Considerations to discuss further:
* All claims?
* Suspicious claims?
* Claims in certain territories?

BLYTH Paul

Ask about other cover/claims in the claim intimation call, if no longer using claim forms

Fraud detection wishlist - Group 2

BLYTH Paul

Ask doctors if they have completed any other insurance forms in the recent past?

BLYTH Paul

Underwriting - Look at level of cover/ age of applicant/ need for cover

BLYTH Paul

Consistent approach to death abroad claims

BLYTH Paul

Industry wide response - We all agree to call fraud, fraud

BLYTH Paul

Does publicity give ideas to potential/ opportunistic fraudsters

BLYTH Paul

NHS database - Can claimants choose what insurers see?

BLYTH Paul

Claim database for all claims (ABI?)

BLYTH Paul

Can the ABI circular include CI? IP?
Is there a GDPR issue?

BLYTH Paul

Industry wide fraud forum to discuss cases and identify trends

BLYTH Paul

Publicise fraud being stopped

BLYTH Paul

IFB - What is a confirmed fraud

BLYTH Paul

Publicise fraud being stopped

BLYTH Paul

Publicise fraud being stopped



Industry Fraud Discussion

Workshop 3 - Information Gathering



Industry Fraud Discussion

International Fraud Investigators Reported Hotspots 2023



- Afghanistan
- Bulgaria
- Cameroon
- India
- Kenya
- Nigeria
- Pakistan
- Romania
- Sri Lanka
- South Africa
- Uganda

In addition to the above, lots of very recent instructions for South America



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Industry Fraud Discussion

IFIG Fraud Register



+ Add case

chairman@ifig.org ▾

- [Dashboard](#)
- [Matched cases](#)
- [Management Information](#)
- [User Management](#)

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-

Welcome

to your IFIG E-alert system

Daily Load

| Status | Case Ref | Narrative | Line of Business | Date Created |
|--------|----------|---|------------------|------------------------|
| | 1531 | 3rd luggage loss in 2 months in Greece - high value items | Travel | 14/06/2023 14:13:48 |
| | 1530 | suspected cash for crash case linked to 4 incidents on roundabouts | Motor | 11/05/2023 09:44:51 |
| | 1529 | Alleged death in Russia - £5 mill claim value - dont believe the PH ever travelled out of UK | Life | 19/04/2023 11:17:47 |
| | 1528 | Death in suspicious circs in Thailand - documentation does not look genuine - additional claim with ... | Life | 09/02/2023 11:25:11 |
| | 1527 | Two claims in 3 months - documents not able to be validated Claim with Josie on 0118666111 Contact... | Pet | 07/02/2023 14:08:52 |
| | 1526 | Death in suspicious circumstances in Thailand - suspect more claims have been presented. S Jackson ... | Life | 24/01/2023 14:18:45 |
| | 1525 | Numerous items being claimed for accidental damage - duplicate receipts provided and not all supplie... | Home | 17/01/2023 09:43:36 |
| | 1524 | MAking enquiries regarding motor cash for crash incidents VRM AJ59 AAA VRM mk20 999 | Motor | 16/01/2023 |

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IFoA Webinar: Fraud



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Next Steps

Industry Fraud Discussion

Application questions

SCOR recommended wording

Existing cover

Does the amount of total cover (Life and Critical Illness) that you already hold, including this cover and any cover that is currently proposed or contemplated, exceed an amount of £X* life cover and £Y* CI cover? (If Yes, please provide details of the insurer, type of cover, amount applied for, and the reason for the cover).

Industry examples

Are any of the policies on this application replacing an existing policy or policies held with Insurer X?

Apart from this application, have you applied to us for any life insurance, critical illness or income protection in the last 2 years?

Will the amount of cover you are now applying for, added to the amount you already hold with any insurance company, exceed £1million life cover or £500,000 critical illness cover?



Industry Fraud Discussion

Proof of Concept (POC) for a Claims Register



Industry
POC
Workshop

ABI



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Questions?

28 October 2024

Questions

Comments

Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenter.



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