Institute and Faculty of Actuaries

Combatting Fraud: Intelligence and collaboration is the key!

Paul Blyth
Head of Underwriting and Claims Proposition
SCOR

How big is the problem?

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

Industry Detects £1 bn in fraudulent claims amid crackdown on insurance fraud

25/09/2024

Cracking down on insurance fraud remains a top priority for the industry, the Association of British Insurers (ABI) has said today, as its latest figures reveal £1.1 billion worth of fraudulent claims were detected last year, up 4% on 2022.

Insurers identified 84,400 fraudulent claims in 2023, 11,800 more than the previous year,[1] and the average value was £13,000.[2]

For the first time, the ABI's latest figures also include details on the type of fraud scammers attempted to commit. Exaggerated loss, the deliberate attempt to increase the cost of a claim beyond its true value, was the most common with 25,700 claims amounting to £407 million.

Motor insurance continues to be the area where insurers see most fraudulent claims occurring, and they detected 45,800 motor scams worth £501 million. This is 8% more than in 2022, and represents 54% of all claims made throughout the year.

Insurers also identified 16% more fraudsters from making fake property insurance claims,[3] worth £143 million.

Alongside this, insurers prevented an estimated 583,000 fraudulent insurance applications, a 17% increase from 2022. Application fraud is when important information is purposefully misrepresented or hidden for financial gain.

The ABI

** No let up in crack down on insurance cheats as industry detects £1 billion worth of fraudulent claims | ABI*

Institute and Faculty of Actuaries

Institute and Faculty of Actuaries

Examples of Fraud

Examples of Fraud

There are 2 Types of Fraud

1. Situational Fraud

Motivated by personal hardship: such as financial distress, medical emergencies, or job loss.

Not habitual: the individual may not have a history of dishonest behaviour.

Triggered by pressure: often one of the elements in the **Fraud Triangle** (Pressure, Opportunity, Rationalisation).

Rationalised: the person may justify their actions as temporary or necessary for survival.

2. Intentional Fraud

They **plan** their actions in advance.

Often exploit systems or processes **systematically**.

May use **sophisticated methods** to avoid detection.

Institute and Faculty of Actuaries

Examples of Fraud

UK Case – Overseas Claim

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

Institute and Faculty of Actuaries

Examples of Fraud

The lengths people will go to!

Surgeon who had his legs removed accused of fraud

Neil Hopper was told to appear at Truro Crown Court on 26 August

Lisa Young
BBC News, Cornwall

23 July 2025

A vascular surgeon who carried out hundreds of amputation operations before having his own legs removed has appeared in court charged with fraud.

Doctor is jailed over cancer scam

A doctor has been jailed for four years over a 731,000 euros fraud which saw him falsely claim his wife had cancer.

Dr Emad Massoud has been jailed for four years

Dr Emad Massoud, 52, and wife Gehan, 45, from Ratoath, Meath, received the money from insurance companies in 2002 after claiming she had breast cancer.

Gardaí began an investigation after an insurance company received a tip-off.

Gehan Massoud was given three years for her role, but this was suspended because their young children had no-one else to care for them.

Judge Patrick McCartan, at Dublin's Circuit Criminal Court, said it was incredible such a well-educated couple risked their family and prestigious careers to con money from two insurance companies.

Institute and Faculty of Actuaries

Institute and Faculty of Actuaries

Fraud is a Global Problem!

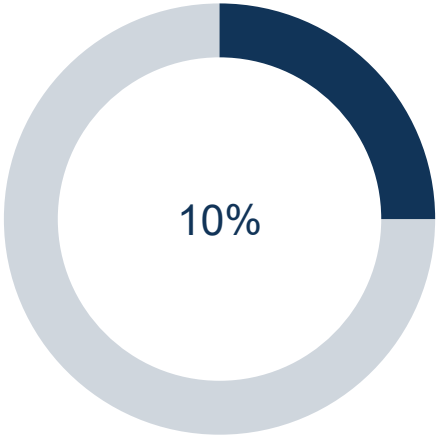
Fraud is a Global Problem

Insurance Fraud Overview

- Document Forgery
- Falsification of Documents
- Counterfeit
- Identity Theft
- Stolen Bank Documents

Each year, **€56 billion** is lost due to Health Sector fraud in the EU

In the U.S.A.
Health Insurance Fraud
is estimated at a total of
$105 billion



At European (EU & UK) level, the potential for fraud is estimated At **10% of paid benefits**, whereas in the USA, it is approximately **20%**.

Institute and Faculty of Actuaries

Source : World Health Organization (WHO) - https://iris.who.int/bitstream/handle/10665/333121/Eurohealth-17-4-14-18-eng.pdf?sequence=1

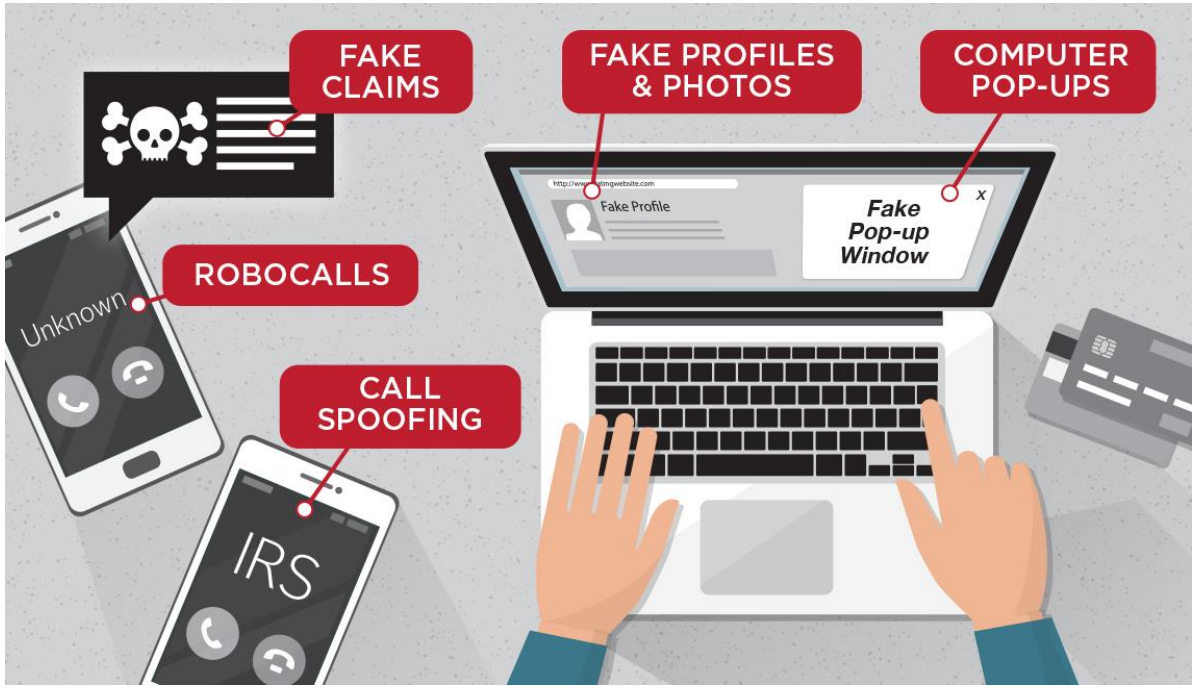
Examples of Fraud

Institute and Faculty of Actuaries

Technology is an Enabler to Fraudsters

Technology and Fraud

- Manipulating, or falsifying documentation
  - Hospital reports
  - GP reports
  - Photographic evidence
  - Death certificates
- Deep fakes
- Identity theft
- Ghost broking



Institute and Faculty of Actuaries

Document Fraud Detection Tool

Background & issue

Fraud rising with more sophisticated schemes targeting SCOR & its clients. ChatGPT 4 / 5 Image Generation raises additional risks of fake invoices

In 2024, SCOR faced fraud attempts involving falsification of invoices, settlements, bank details, difficult to identify to the human eye

Falsification of documents can happen in various departments (MedUW & Claims, Technical Accounting, Expenses, etc.)

Challenge to quantify risks given fraud is hard to identify

Legal & compliance challenges to purchase external tool (data privacy, security, IA, no legal requirement to detect fraud by (re)insurers

Operational challenges (the tool should not add complexity in the existing processes)

Institute and Faculty of Actuaries

Customer Supplied Evidence

AI Generated Documentation

BAA 628168

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

DEATH Entry No. 117

Registration district: Westwood
Administrative area: County of Hertfordshire
Sub-district: Westwood central

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 *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

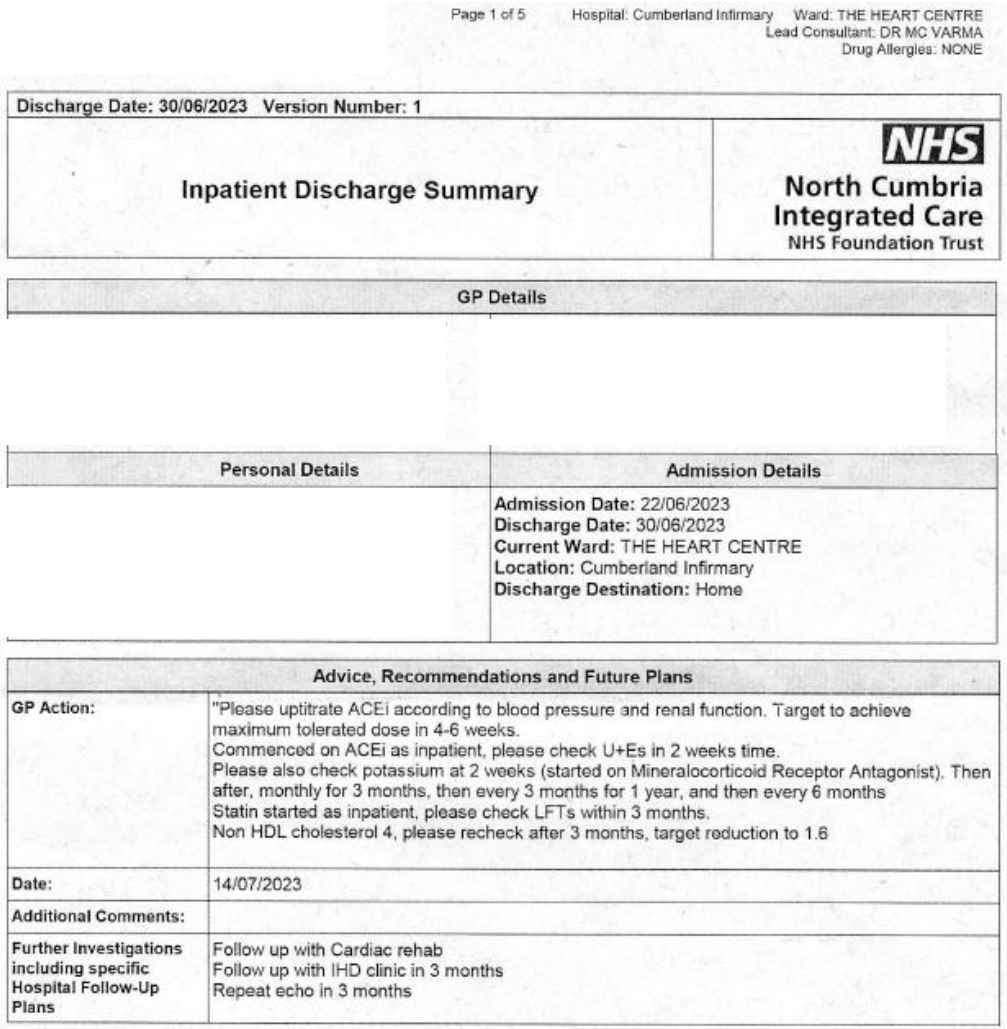
6. Occupation and usual address
Underwriting and Claims Propositions Manager
8 Lord St, Hoddesdon EN11 8NA

Institute and Faculty of Actuaries

Google tests watermark to identify AI images - BBC News

Customer Supplied Evidence

Is It Legitimate?



Page 1 of 5 Hospital: Cumberland Infirmary Ward: THE HEART CENTRE
Lead Consultant: DR MC VARMA
Drug Allergies: NONE

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

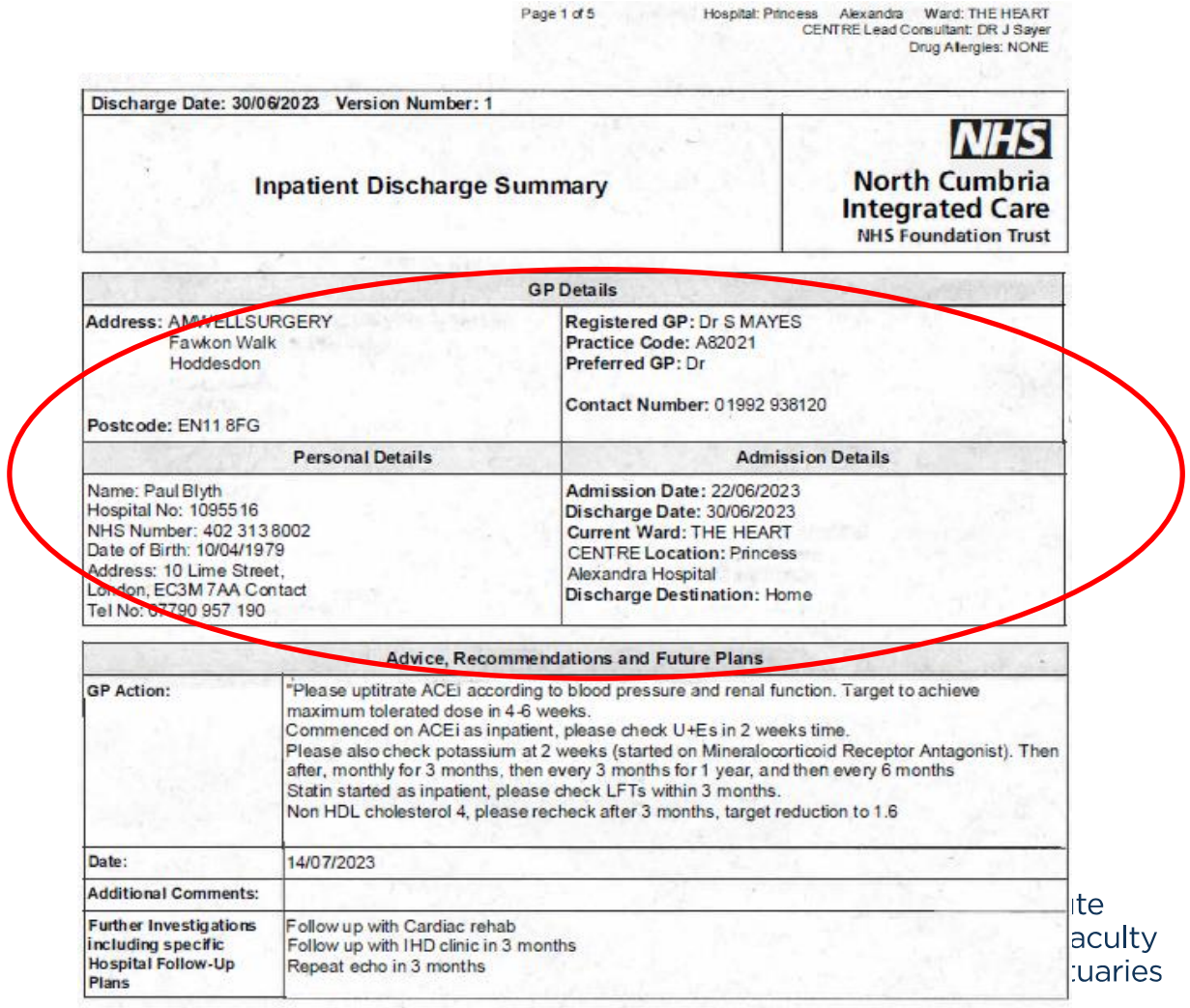
Inpatient Discharge Summary

NHS 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



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

NHS North Cumbria Integrated Care NHS Foundation Trust

GP Details	
Address: AMWELLSURGERY Fawkon Walk Hoddesdon **Postcode:** EN11 8FG	**Registered GP:** Dr S MAYES **Practice Code:** A82021 **Preferred GP:** Dr **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

Institute and Faculty of Actuaries

Can Protection Learn From Other Lines of Insurance?

What Are Other Sectors Seeing?

According to the latest data from the **Association of British Insurers (ABI)**, the lines of insurance with the **highest levels of fraud in the UK** are:

1. Motor Insurance

- **Most targeted line**, accounting for **54% of all detected fraudulent claims**
- In 2023, **45,800 motor scams** were uncovered, worth **£501 million**
- Common fraud types:
  - **Crash-for-cash scams**
  - **Ghost broking** (selling fake policies)
  - **Exaggerated damage or injury claims**

2. Property Insurance

- **16,700 fraudulent claims** detected in 2023, worth **£143 million**.

Includes:

- **Staged burglaries**
- **Arson fraud**
- **Exaggerated theft or damage claims**

3. Application Fraud (All Lines)

- **583,000 fraudulent applications** prevented in 2023, up **17%** from 2022.
- Involves:
  - Misrepresentation of personal details
  - Concealing prior claims
  - Using false identities (e.g., ghost brokers)

4. Commercial Insurance

- Increasingly targeted, especially in:
  - **Business premises insurance**
  - **Corporate benefit plans**
  - **Vehicle fleets used for business**
- Police operations have uncovered **fake companies** and **misrepresented business activities**

Institute and Faculty of Actuaries

No let up in crack down on insurance cheats as industry detects £1 billion worth of fraudulent claims | ABI

Institute
and Faculty
of Actuaries

The Anti-Fraud Toolkit

Document Fraud Detection Tool

Key Functionalities

Document Modification

Identify physical alterations in documents and recognize edited parts, regardless of language

Data Consistency

Ensure the consistency of data within documents

Detect the use of expired or conflicting information

Desirable Feature

Verify the authenticity of provided information by cross-checking it with relevant databases
(e.g., ensuring the IBAN number matches the account holder mentioned in the document).

Generating Reports

Generate comprehensive reports with all findings

Report all metrics necessary to understand the extent of detected fraud, types of fraud, and return on investment.

Institute and Faculty of Actuaries

Document Fraud Detection Tools

Main Market Contenders

RESISTANT.AI

Finovox

LexisNexis®

bluCognition
DATA • INSIGHTS • ANALYTICS

SHIFT

FORTIRO

Functional coverage

- Detect document alteration in several kind of formats (e.g., PDF, images)
- Verify data consistency
- Alerts generation
- Reports capabilities
- Language agnostic
- Real time and batch screening
- Compliance with GDPR

Tech coverage

- Integration support via API
- Deployment model (SaaS, on Premise)
- Audit trail
- SSO integration
- Scalability - Current user + document processing
- SLAs

Institute and Faculty of Actuaries

Institute and Faculty of Actuaries

Fraud Workshops

Industry Fraud Discussion

Collaboration is the Key!

Institute and Faculty of Actuaries

Next Steps

IFIG: Who Are They?

Established in 1999, IFIG - the Insurance Fraud Investigators Group - is a not-for-profit Specified Anti-Fraud Organisation (SAFO) as defined under the Serious Crime Act 2007. Group membership facilitates intelligence and knowledge sharing for all counter fraud professionals. Our network largely work in, or with, the insurance sector. We also welcome guest members, such as the police, HMRC, regulatory and other public bodies.

They focus on:

- Collaboration and intelligence sharing across all sectors, made unique by our diverse and inclusive membership
- Investigation and networking
- Complementing other counter fraud bodies and law enforcement
- Knowledge sharing & Integrity

They provide:

- Online and live regional and national events, including presentations from fraud experts, training and networking opportunities.
- An intelligence platform, developed and supported by Verisk, a leading data provider to the insurance industry.
- Specified Anti-Fraud Organisation (SAFO) status which allows us to host intelligence from public bodies, including the police.

IFIG: Who Are They?

What's in it for Insurers?

You're not alone. Fraudsters are not brand loyal and move from scam to scam. But IFIG members don't just share intelligence, they can also develop effective tactics and strategies that may support your organisation.

Keeping informed. IFIG's networking and support can help you keep abreast of the latest trends and emerging risks. In turn, this can help you plan for the future.

Development. IFIG's networking opportunities also help grow your and your team's understanding of the fraud issues that face our industry. This can be supported by accredited counter fraud training, to add greater credibility to your counter fraud approach.

IASIU: IASIU now has a UK Chapter, giving you access to a worldwide network of counter fraud investigators.

Gap Analysis

What are the key features for Intel to go from the current solution to a game changer which can lead the market?

Data enrichment with third-party data

- Integrations to allow for the pre-population of data giving the user more time to focus on their analysis and less time spent on data admin

Fast and simple data ingestion and down-stream integration

- APIs that allow easy implementation with other claims and analytics solutions to prevent double keying and allow for automated workflows

AI Search & VDR Integration

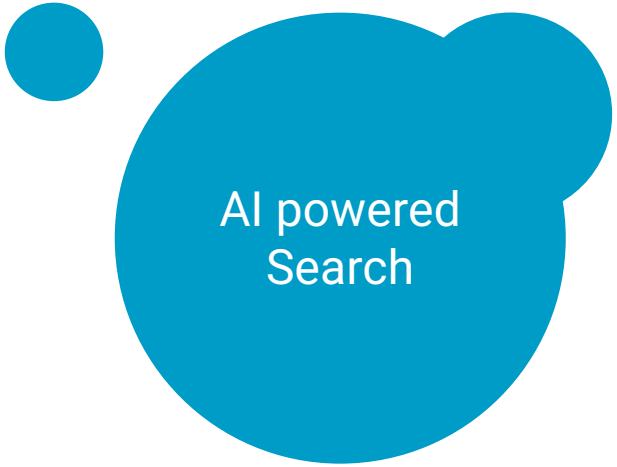
- An AI prompt that can answer complex questions about fraud investigation, sourcing data from across Verisk Claims UK including data extracted from VDR

High Level Plan for 2025

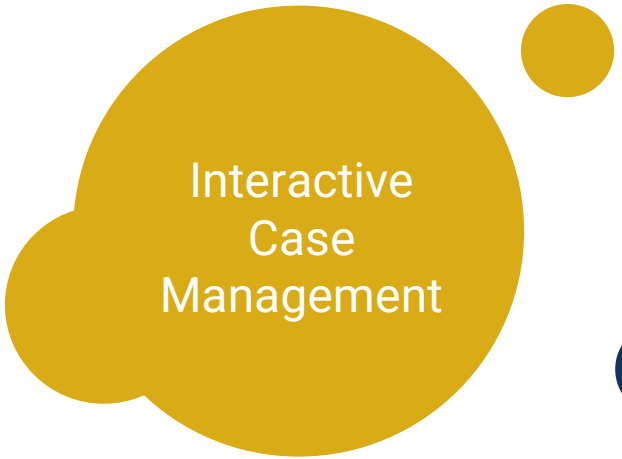
Outline of what we're looking to achieve with the product

Product Vision & Goals

Re-platform the spider so that there is no limit to the size and scope of network we can display



Make search AI driven, to enable a prompt to drive data searches which offer greater insight and efficiency and capture all Verisk claims UK data



Case management that works in conjunction with other Verisk products (DMF, IVI, verify, COA) or Insurer's software to ensure the case has the latest information

Create a hub to search across Verisk Claims UK data to provide insights our competitors cannot and enrich with third-party data

Institute and Faculty of Actuaries


FRAUD

Institute and Faculty of Actuaries

Questions?

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.

Institute and Faculty of Actuaries