OUR MEETING WILL BEGIN SHORTLY

Fighting AI-Facilitated Fraud

November 15, 2026

In-person Attendees

Wi-Fi Network: NAIC2026

Password (case sensitive): SecureTomorrow26



Which photo is AI-generated?



Photo A

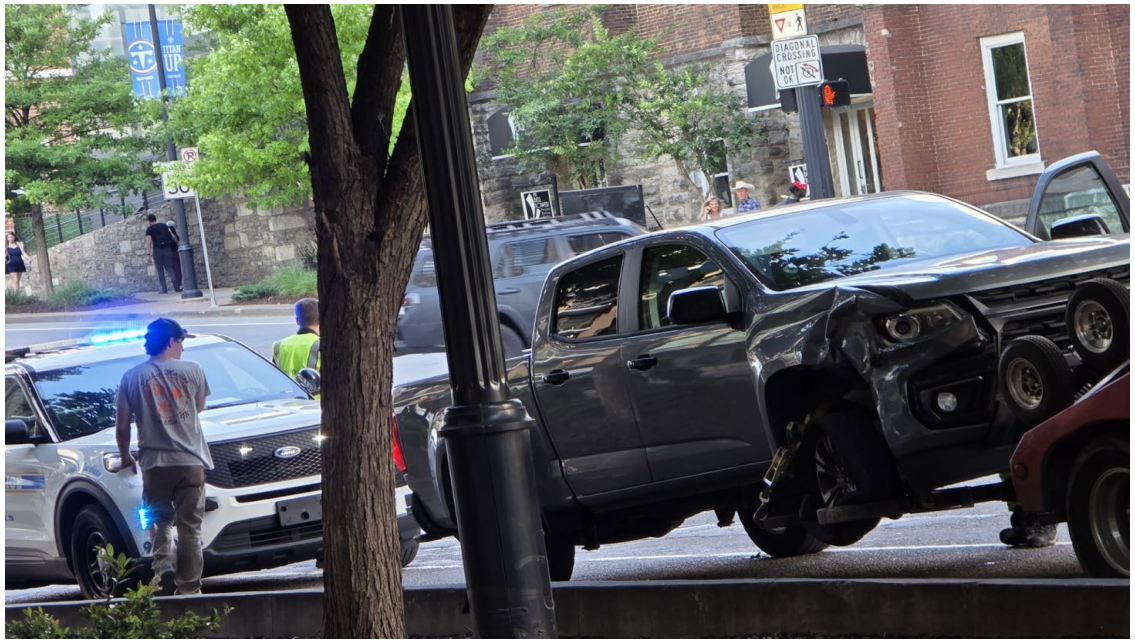


Photo B

Cast your vote @ Slido.com Slido code: 4033 769

Fighting AI-Facilitated Fraud

Center for Insurance Policy and Research
Dorothy L. Andrews, PhD, MAAA, ASA, CSPA
Senior Behavioral Data Scientist and Actuary
November 15, 2026
2:15 pm to 3:45 pm

NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

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Agenda

- Magnitude of Insurance Fraud
- What is Generative AI – Gen AI
- How Gen AI Facilitates Fraud
- Research on AI-Facilitated Fraud
- Introduction of Panelists
- Expert Fraud Panel Discussion
- Wrap-Up and Q&A

Magnitude of the Insurance Fraud

Insurance fraud steals at least $308.6B every year from American consumers.

Consumer Attitudes
78% say they are concerned about insurance fraud.

Arson
In 2020, 8,898 cars were intentionally set on fire in the U.S.

State Laws
48 states make insurance fraud a specific crime.

Workers Compensation
1.3 million to 2.1 million workers were misclassified or doing cash-only work each month in 2020.

Healthcare Fraud
$3.1B in false and fraudulent claims in 2020.

Technology
21% of insurance companies plan to invest in AI in the next two years.

Coalition Against Insurance Fraud

Generative AI Fraud across all industries is projected to be $40B by 2027.

- FBI & Deloitte

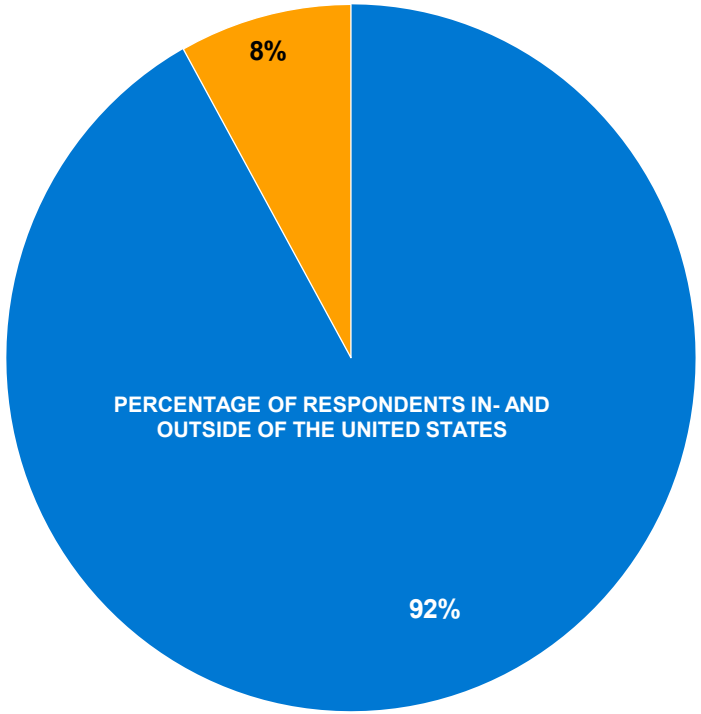
Source: https://insurancefraud.org/fraud-stats/

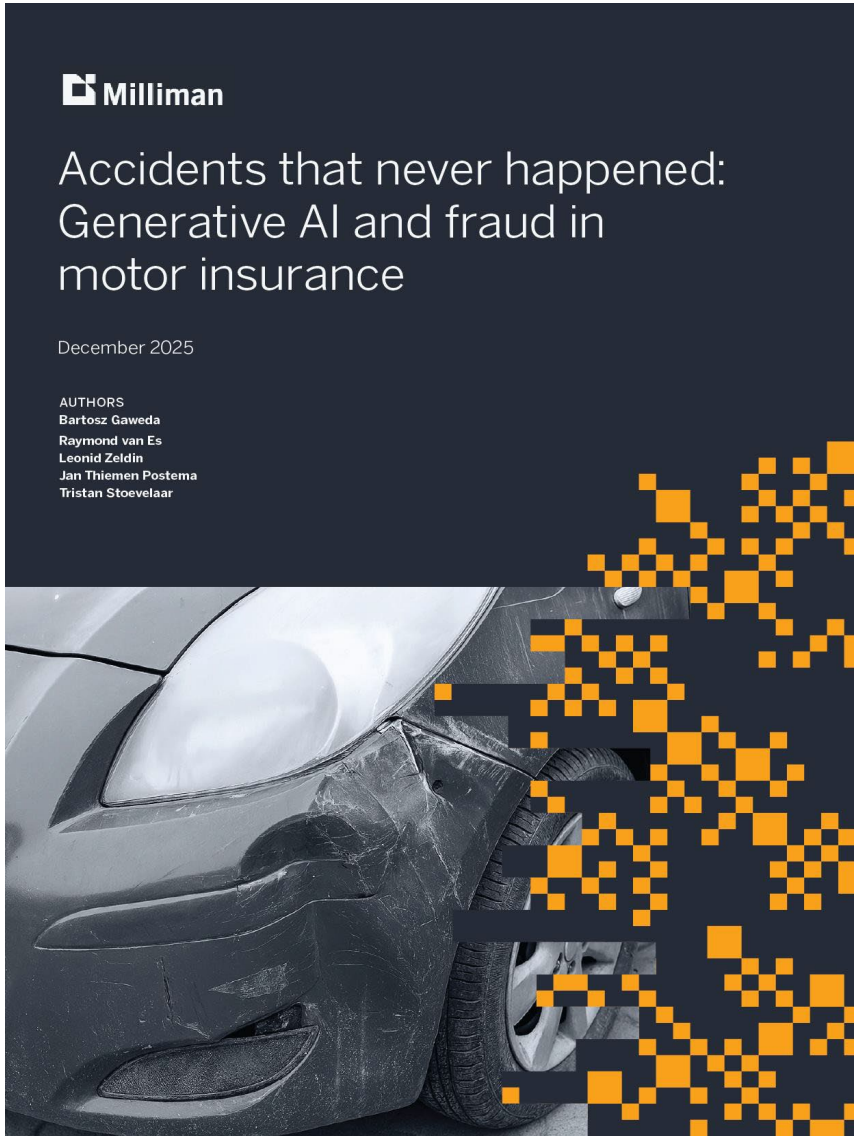
What is Generative AI – Gen AI

Generative AI, sometimes called gen AI, is artificial intelligence (AI) that can create **“original”** content such as text, images, video, audio, or software code in response to a user’s prompt or request.

Milliman Study

Goal of Study: To examine risk of AI generated photos, the scale of this risk, effectiveness of current detection tools and human assessments, and strategies to safeguard against these evolving threats.





Source: https://media.milliman.com/v1/media/edge/images/millimaninc5660-milliman6442-prod27d5-0001/media/Milliman/PDFs/2025-Articles/12-3-25_Accidents-that-never-happened.pdf

How Gen AI Facilitates Fraud

Common Scams

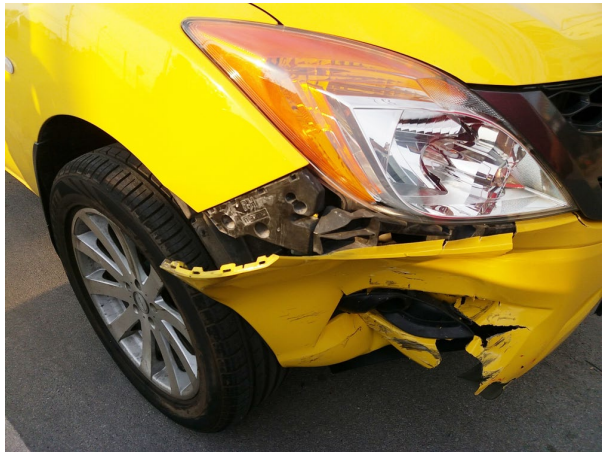
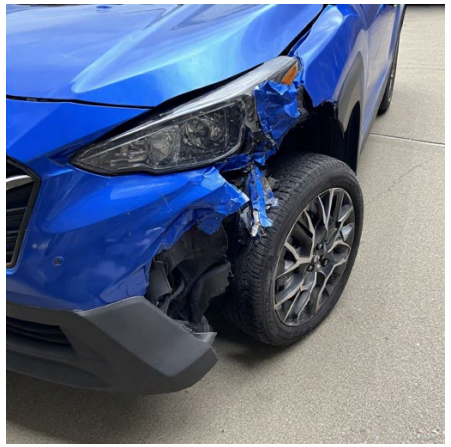
- Voice Cloning
- Deepfake Video Calls
- Fake Individuals
- Fake Businesses
- Fake Medical Evidence
- Fake Professional Documents
- Enhanced AI Phishing Emails
- Altered Images of Damage



Milliman Study – Can you spot AI-generated crash images?

Take the Test @ https://www.surveymonkey.com/r/ZRHPBQR







Human Detection of AI-Generated Images

- Malformed text
- Repeating patterns and textures
- Subject blending – Clone effect
- Broken and incoherent lines
- Light rays, reflections, refraction, and shadows
- Inconsistency in fine details
- Incorrect or inconsistent proportions
- Incoherent relationships between objects
- Missing elements that should be present
- Unnatural elements that defy physics



Key Finding of Milliman Study

The human ability to spot AI-generated car damage in images is no better than random chance, with accuracy rates around 50%.

Advanced forensic tools can outperform the human eye but still struggle to detect fakes from unfamiliar or newer generative models, especially when watermarks are absent or removed.

Advanced AI Forensic Tool

Verisk's Digital Media Forensics

- ❑ Forensic analysis of claim images
- ❑ Cross-carrier image database
- ❑ 600 million images from claimants
- ❑ Pixel manipulation detection
- ❑ Cross–carrier image duplication

Common Photo Editing Techniques

- ❑ Cropping out surrounding context
- ❑ Rotating image slightly to boost contrast
- ❑ Adding content unnatural to the scene



Source: https://www.verisk.com/resources/campaigns/the-democratization-of-fraud/

Key Strategic Implications

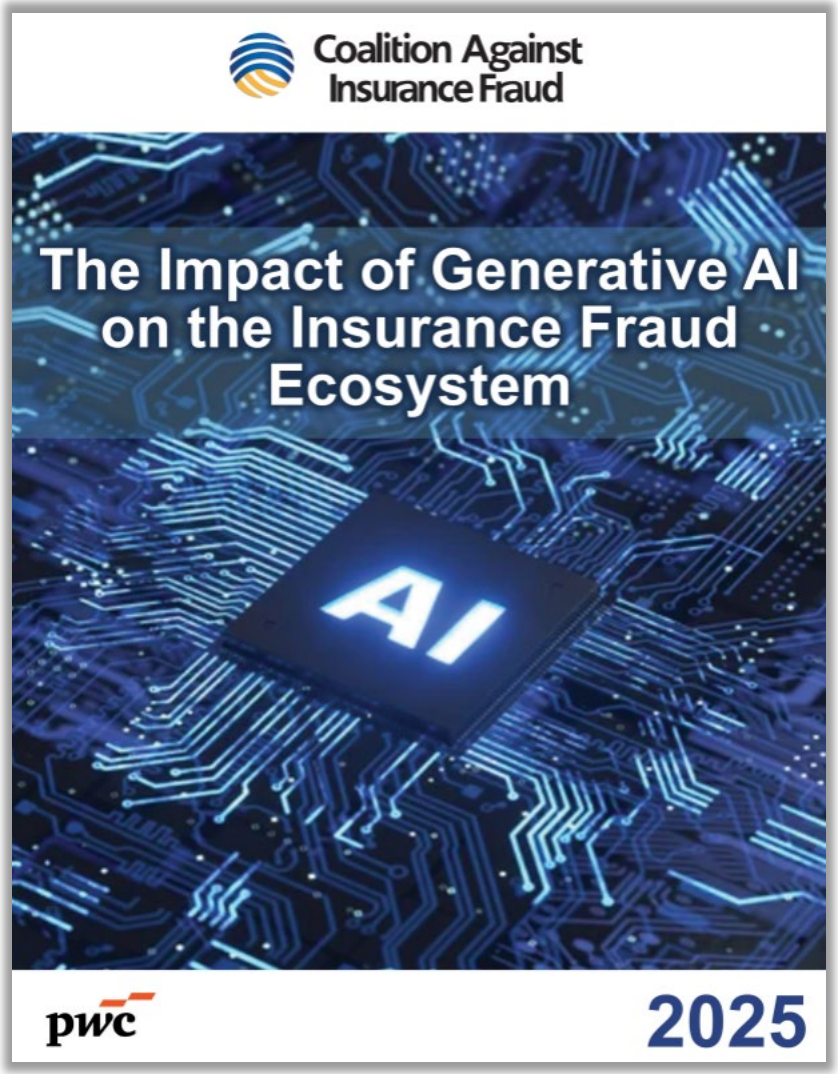
83 Organizations

Key Stakeholders

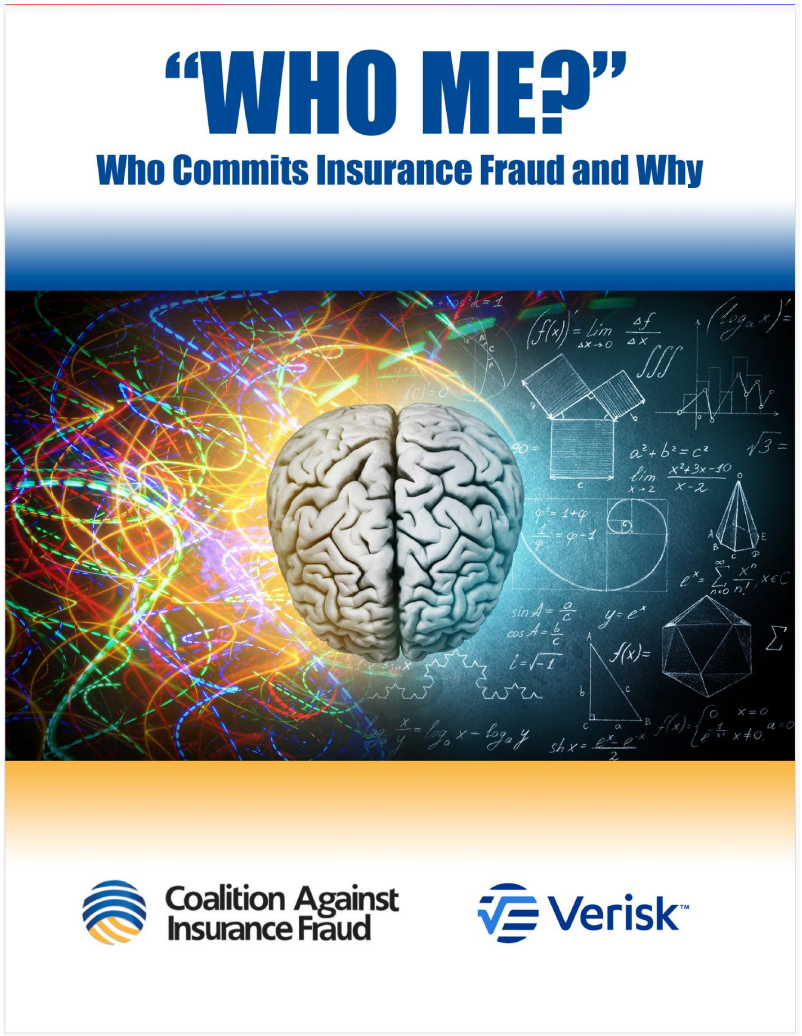
- Insurance Carriers
- Fraud Bureaus
- Law Firms
- Prosecutors

Strategic Implications

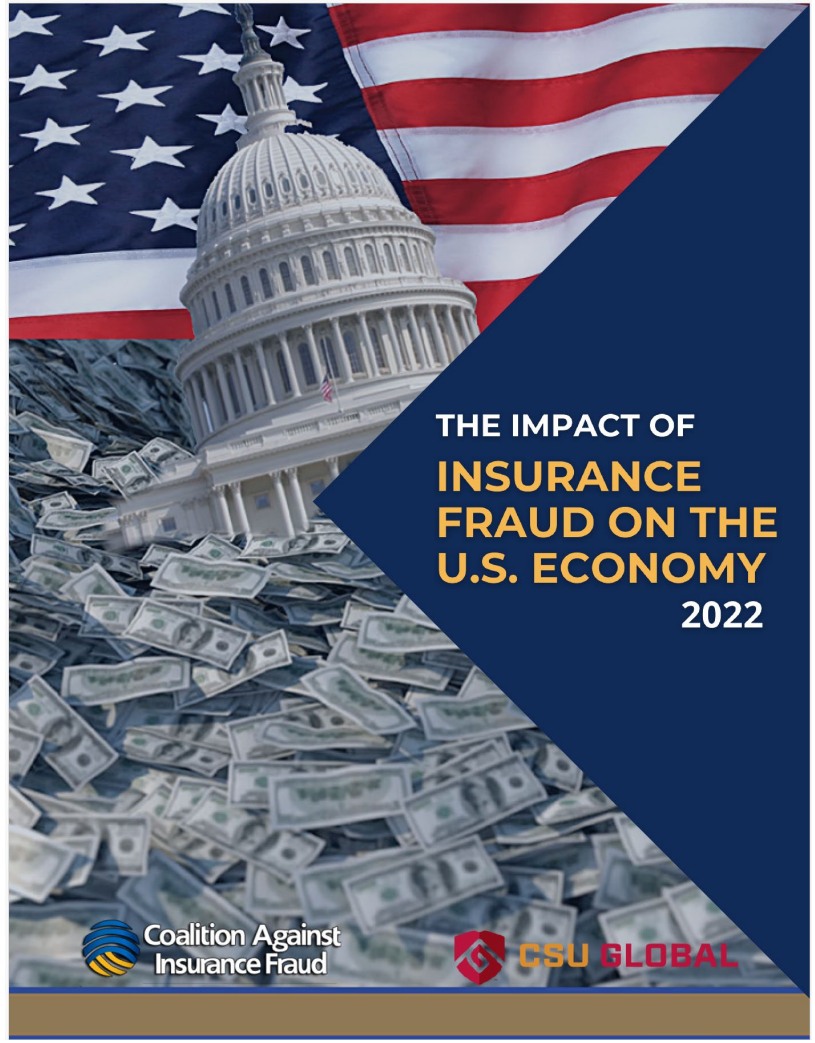
- Governance Frameworks
- AI Detection Tools
- Cross-Sector Intelligence Sharing



Source: https://insurancefraud.org/



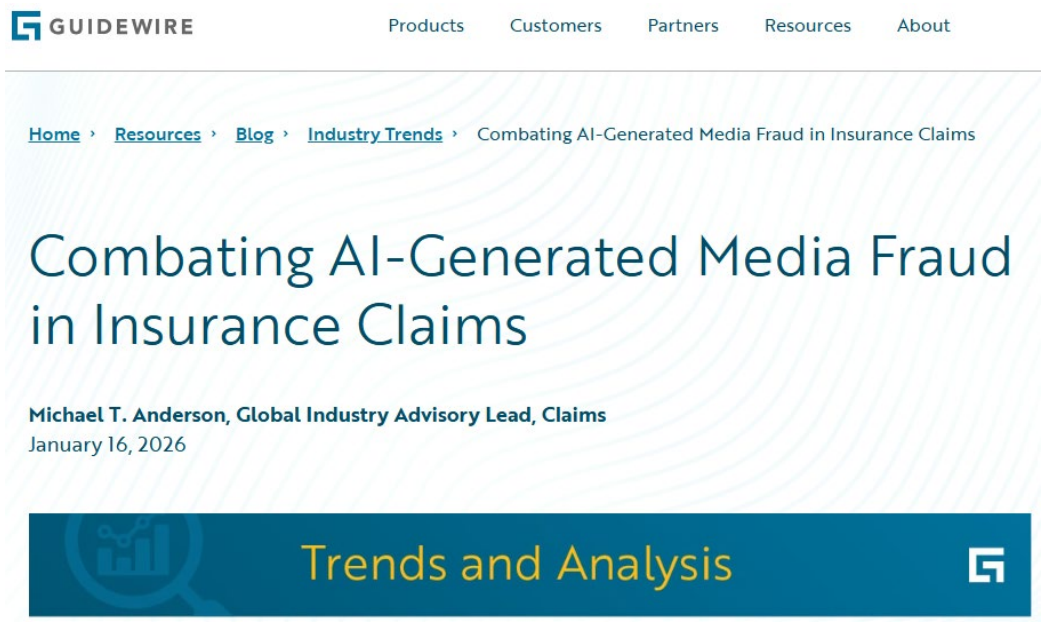
Must Reads!

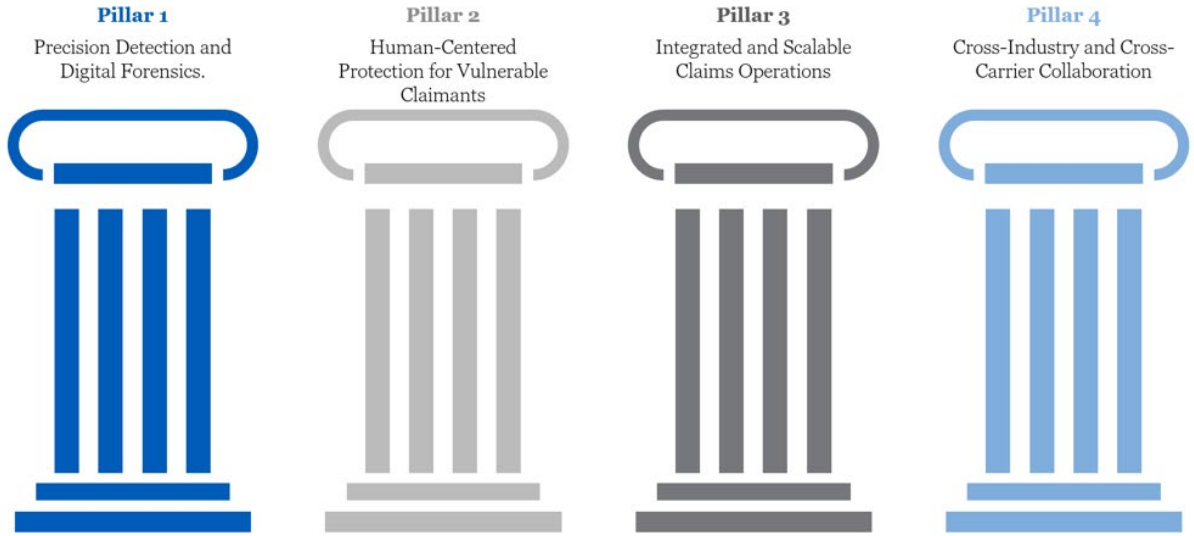


https://insurancefraud.org/wp-content/uploads/WHO_ME_STUDY_REPORT.pdf

https://insurancefraud.org/wp-content/uploads/The-Impact-of-Insurance-Fraud-on-the-U.S.-Economy-Report-2022-8.26.2022-1.pdf

Key Pillars for Managing Media Fraud





Which photo is AI-generated?



Photo A

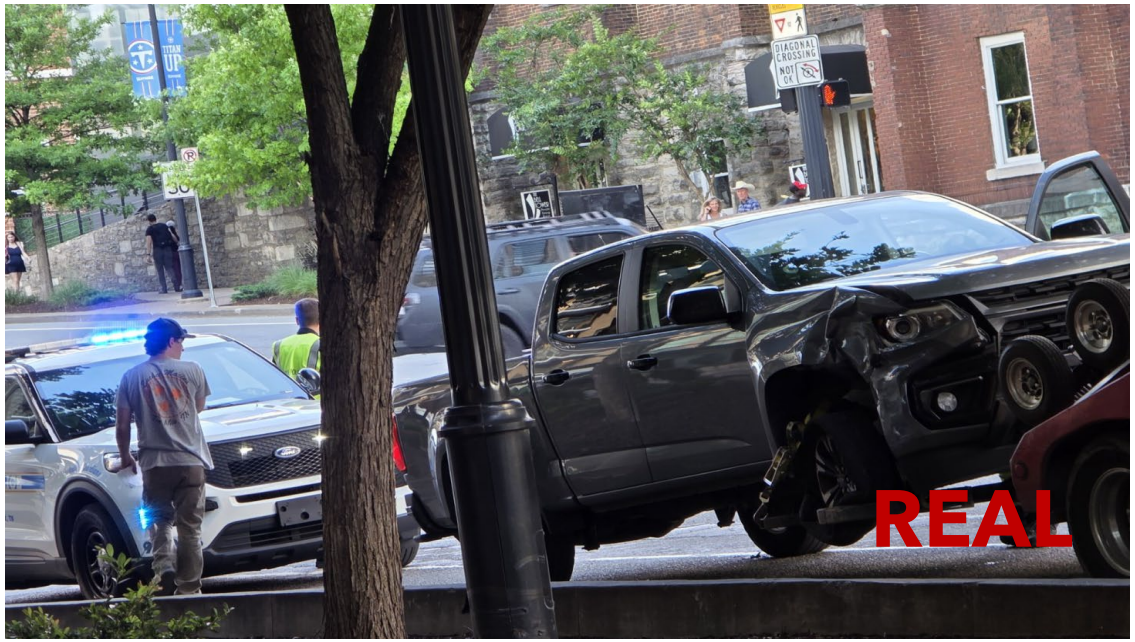


Photo B

The Expert Panel



Commr. Navarro - DE



Brent Walker - CAIF



Kimberly Semler - NE



Raun Bass - NICB



Nancy Clark - Verisk



Shaun O'Neill - MD

Slido Question

What questions do you have?

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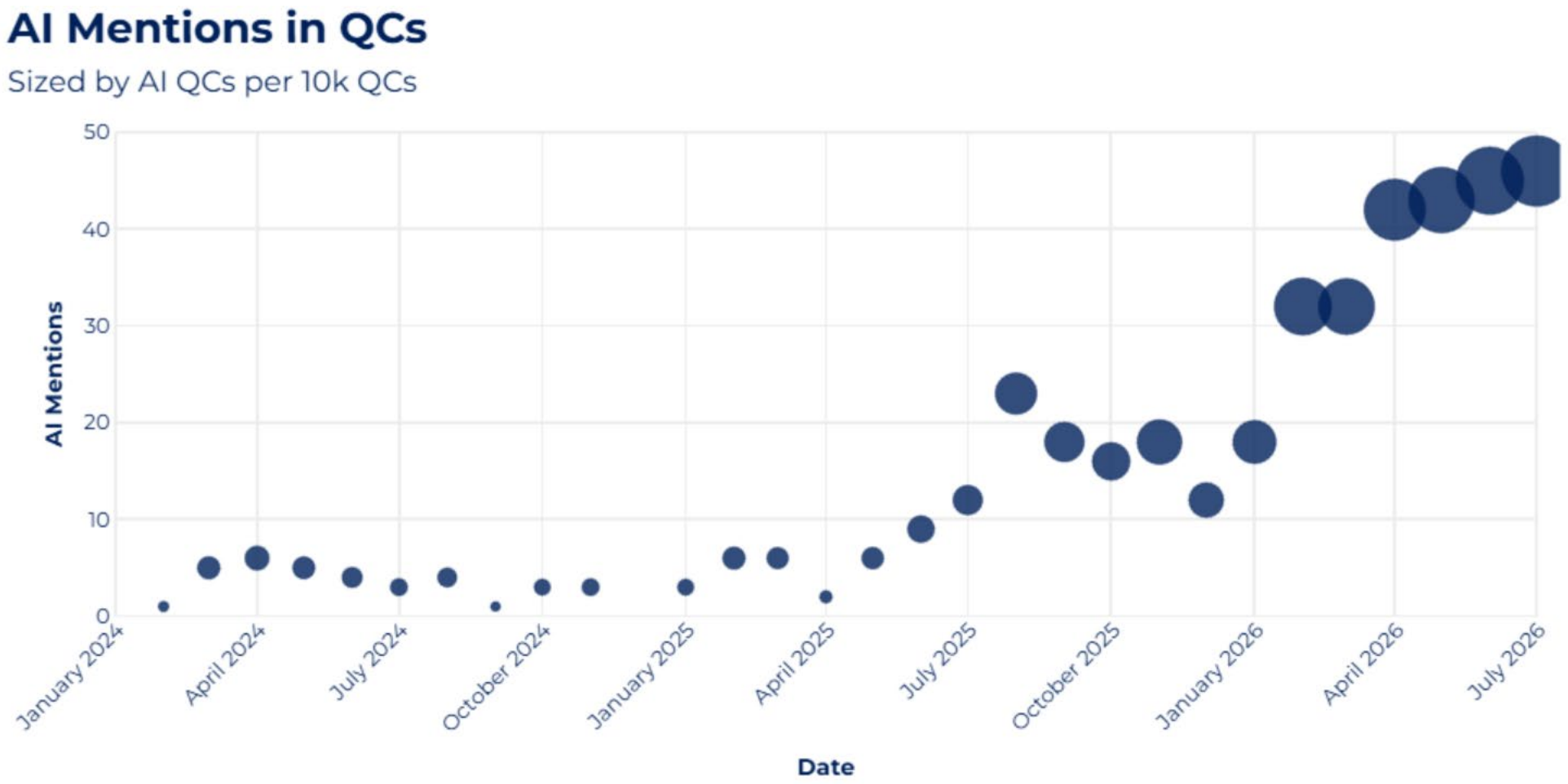




Which one is AI-altered, A or B?

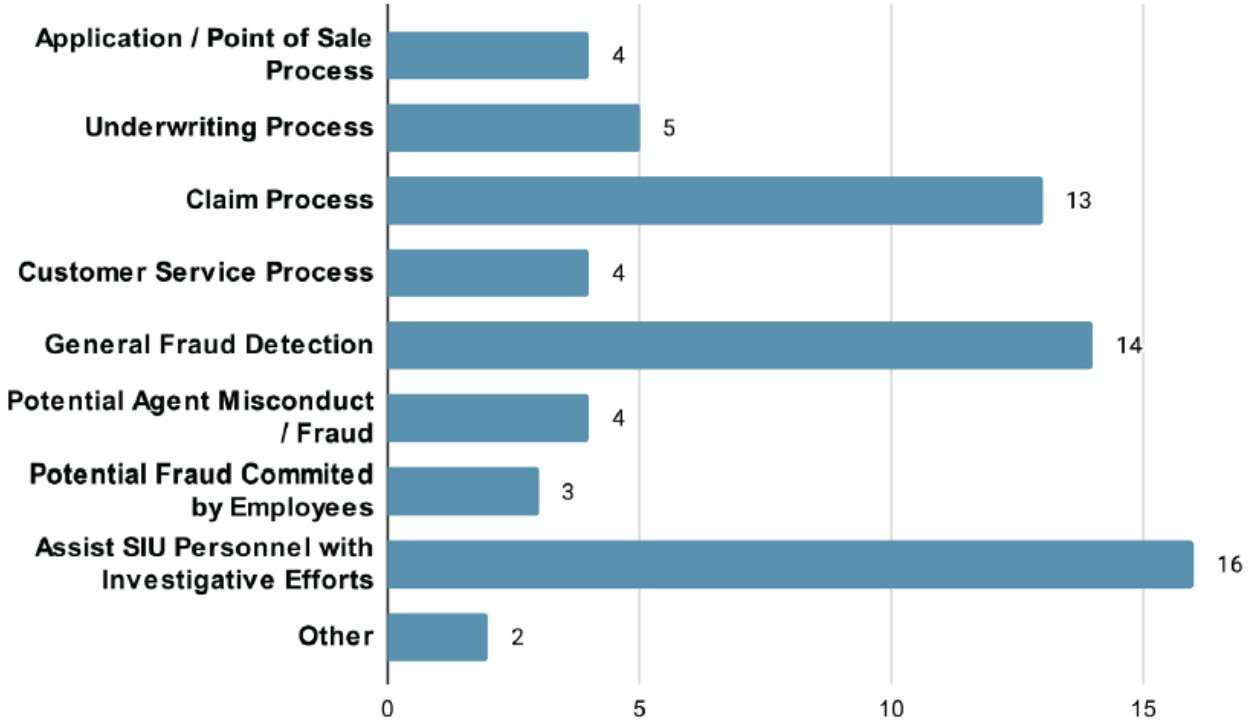
Go to Slido.com to vote.
Slido code: 4033 769





Questions? Go to Slido.com **Slido code: 4033 769**

In what ways is your company using GenAI?



GenAI Fraud Targets All Insurance Lines

Most exposed: Auto, Workers' Compensation, and Property/Homeowners

Why: High claim volumes, heavy reliance on documents, and identity-based fraud risks

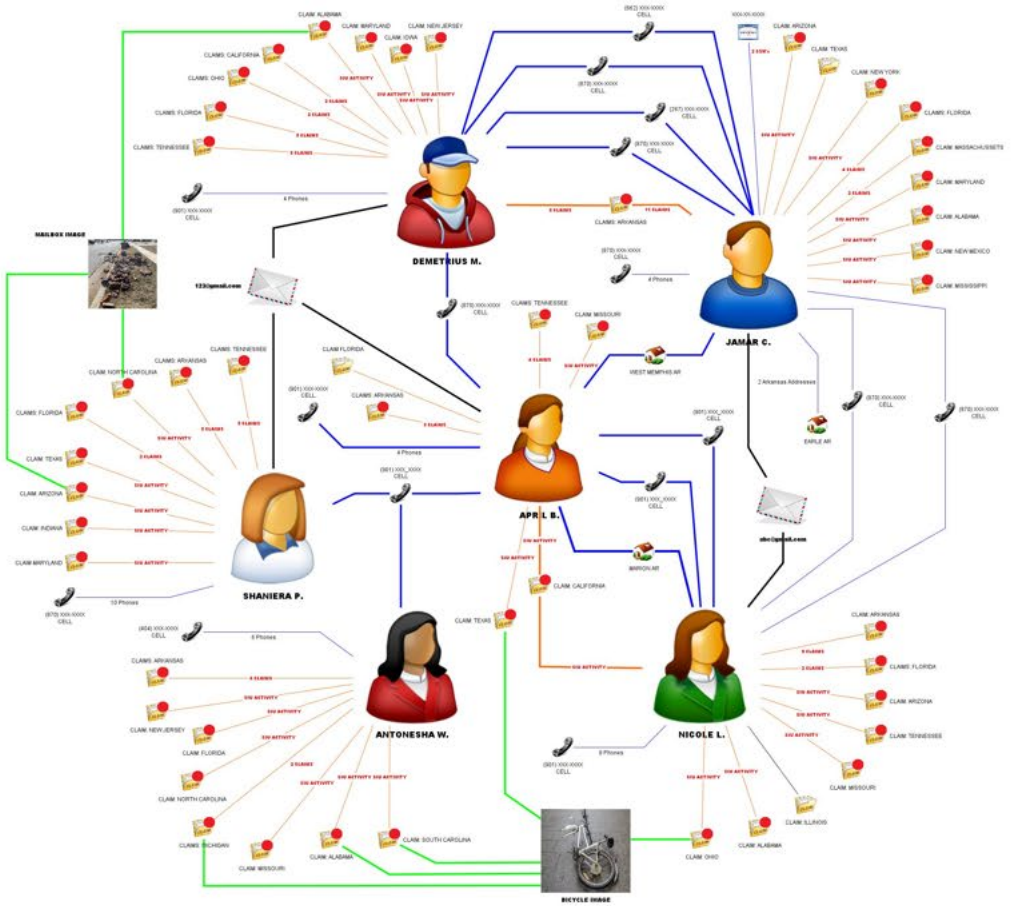
Key takeaway: No line is immune. As GenAI evolves, schemes will spread, making cross-line detection and stronger verification essential.

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Network Analysis

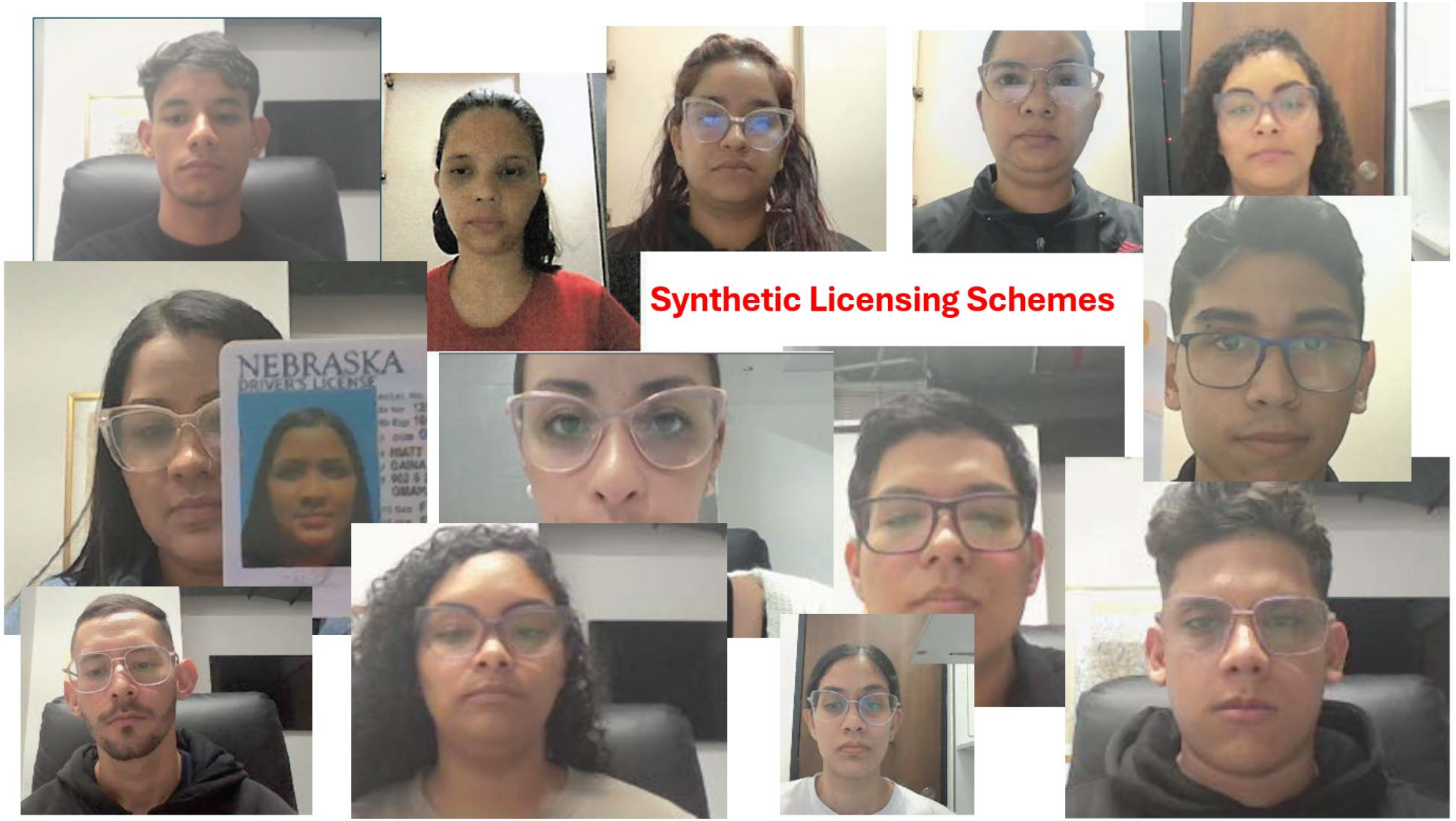
Synthetic identity network – real example and nationwide network

Connected by
Phone numbers
Email addresses
Street addresses
Digital images
Claims
Dates of birth



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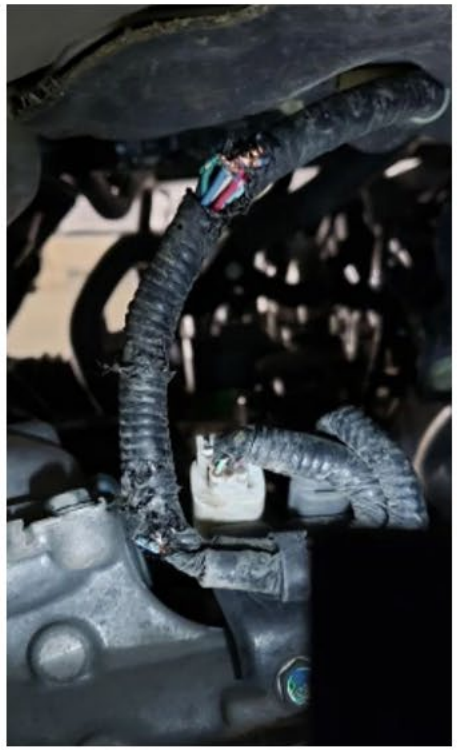
One image, three claims in three states

Claims using the same photo

DC
Mini Cooper
DOL 11/22/2022

CA
Ford Bronco
DOL 01/24/2025

NM
Subaru Outback
DOL 06/02/2025



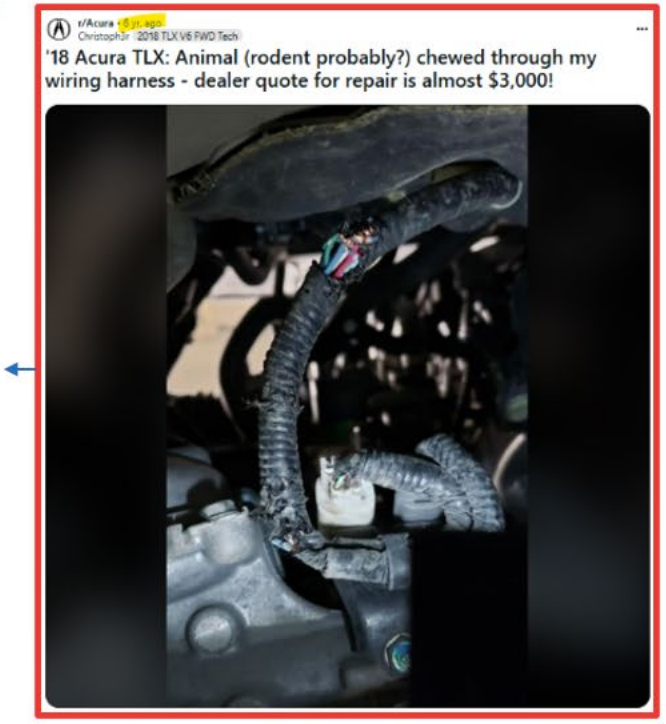
Alerts triggered

Internet duplication

Cross-carrier duplication

Findings

- Photo first posted on Reddit in 2018
- Reused across states
- Reused across carriers
- CA claim detected and deterred



Original Reddit post (2018)

Verisk

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Cross – State DOI Fraud Collaboration

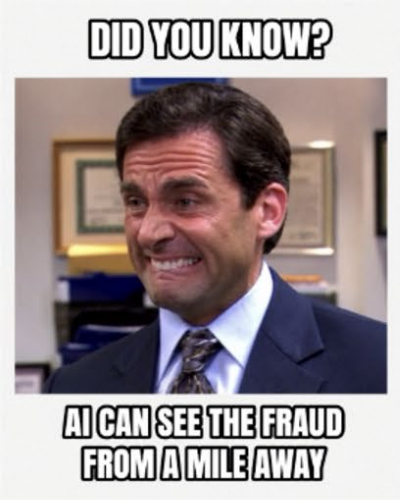


Verisk: Anti-Fraud One – Government Solution (AF1-GOV)



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Insurance Fraud Awareness Social Media Contest







Coalition Against Insurance Fraud



Competition Results To Date

96 posts / stories

671 shares

42,464 views

3,343 interactions

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Fraud Scenario:

Man 1: "Man, bad news about your car getting nailed."

Man 2: "Not really. The insurance company will take care of all that and then some."

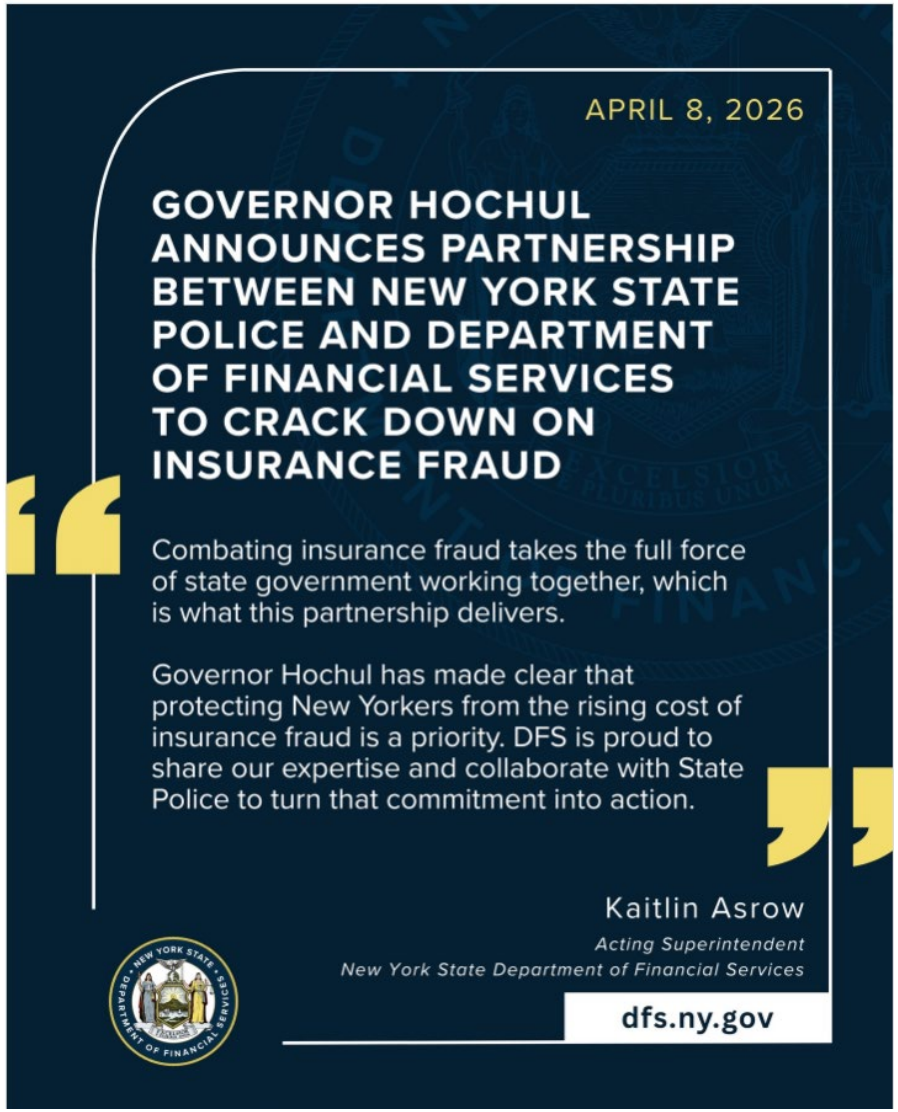
Man 1: "What do you mean?"

Man 2: "I'm going to get a big fat check out of this. Told my doctor, my lawyer I got hurt."

Man 1: "You weren't even in the car when it was hit."

Man 2: "Well, the insurance company doesn't need to know that, do they?"

Source: https://insurance.utah.gov/fraud/multimedia/



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Fraud Detection to Prevention

AI's Impact on Insurance Industry



Image Source: https://www.nupeak.in/fraud-detection-to-prevention-ais-impact-on-insurance-industry/

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Image Source: https://bundamulia.sch.id/ai-friend-or-foe

Wrap Up

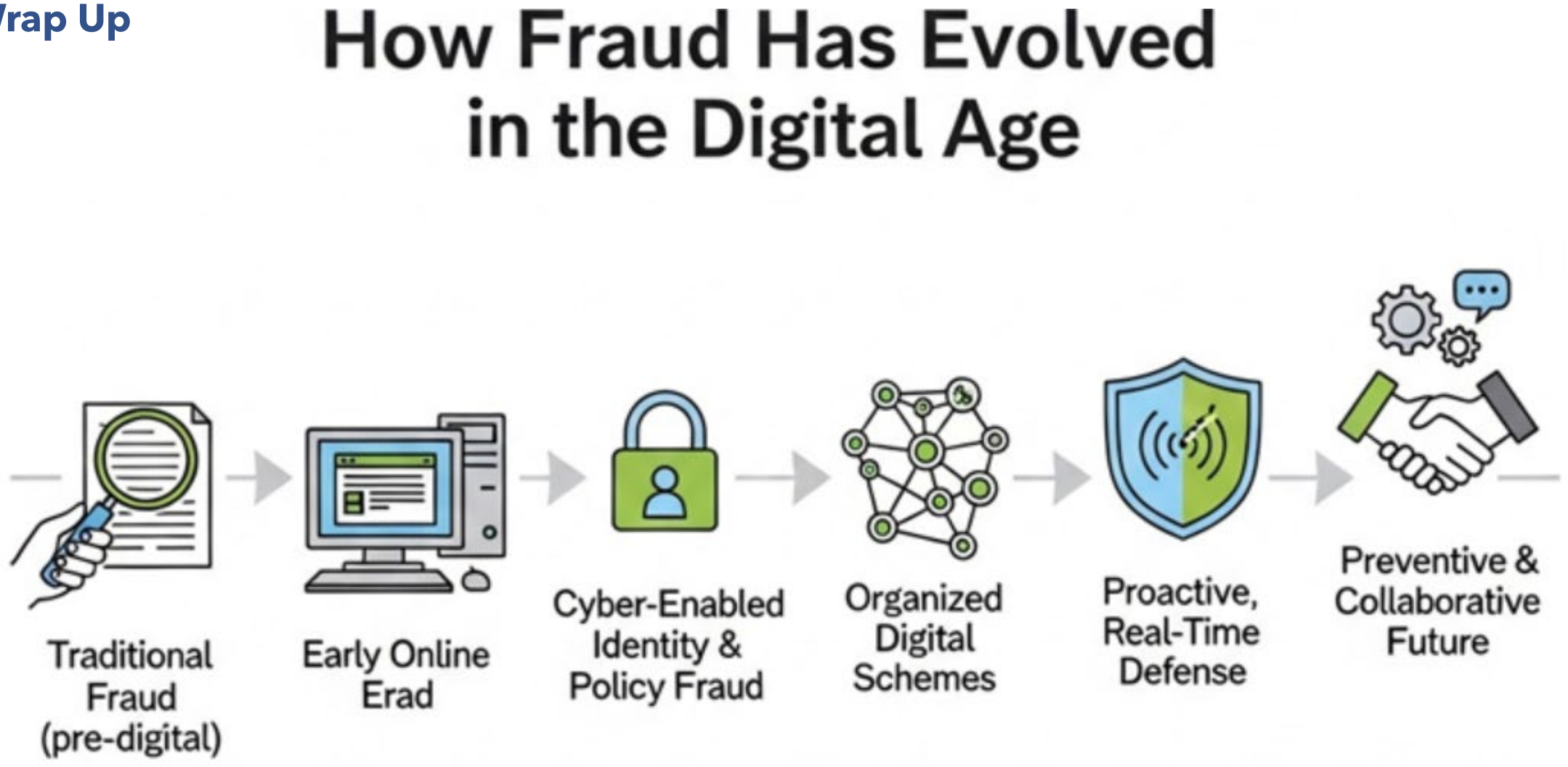
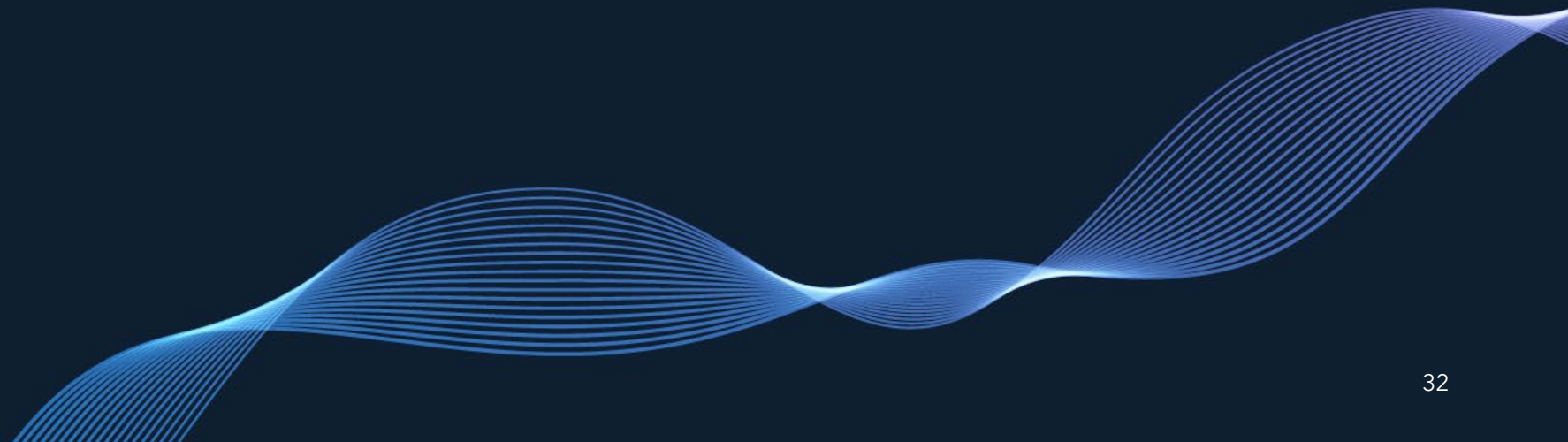


Image Source: https://www.worldfinanceinforms.com/trends/insurance-fraud-prevention-with-digital-technology/

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Thank you



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