



Coalition Against Insurance Fraud

ADVOCACY * INFORMATION * OUTREACH

Generative AI, Fraud, and the Insurance Consumer

September 23, 2025

ICAE INSURANCE
CONSUMER
AFFAIRS
EXCHANGE
Insight on Insurance Consumer Relations

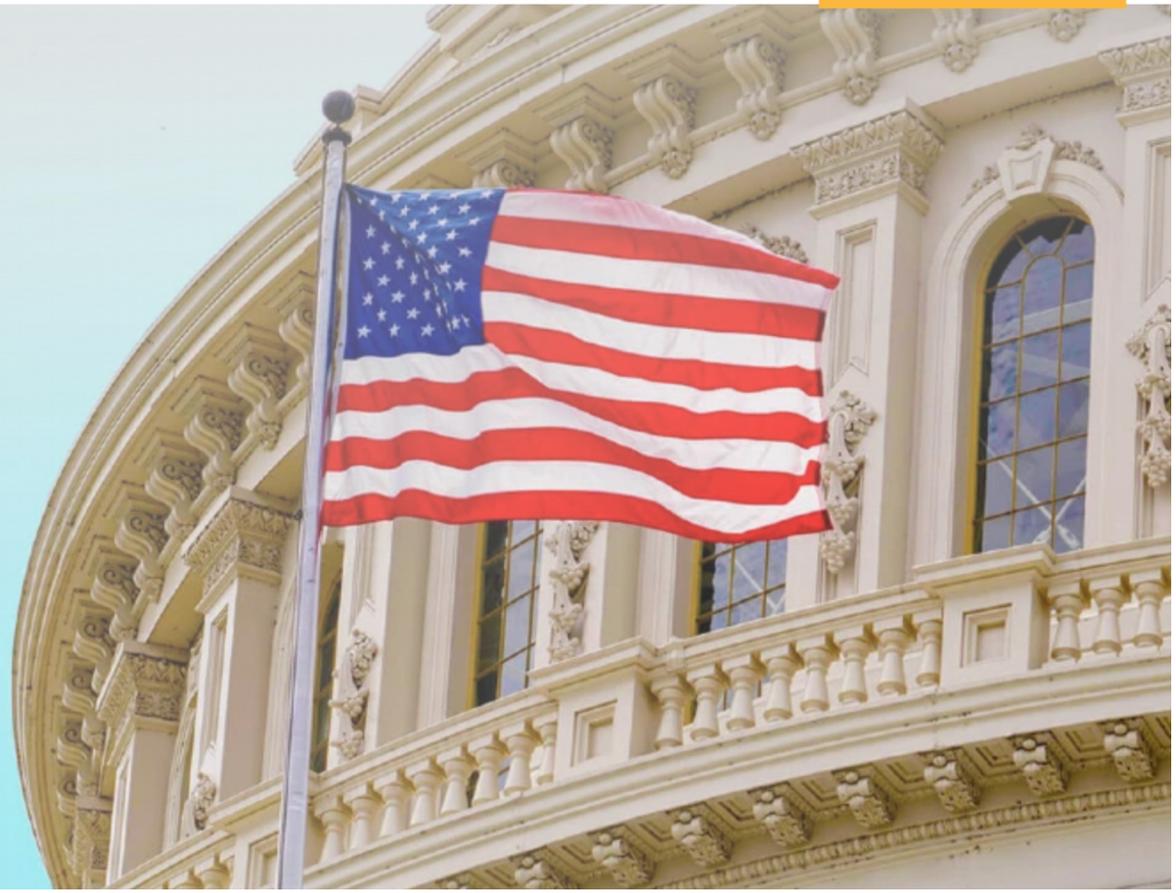
2025 Fall Exchange

The Coalition Against Insurance Fraud unites and empowers private and public groups to fight insurance fraud through outreach, advocacy and research.

Insurance fraud is generally described as...
"The intentional providing of false or misleading information, or withholding of material information, as part of an insurance transaction."

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Coalition Against Insurance Fraud

*ADVOCACY * INFORMATION * OUTREACH*

Advocacy:

- Legislative Priorities
- Anti-Fraud Bill Tracking
- NAIC & NCOIL Involvement
- Consumer Representation
- Model Law & Bill Advocacy
- Amicus Curiae

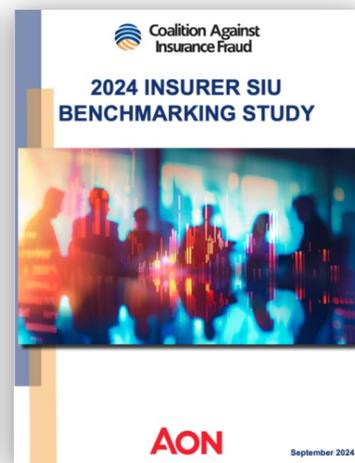
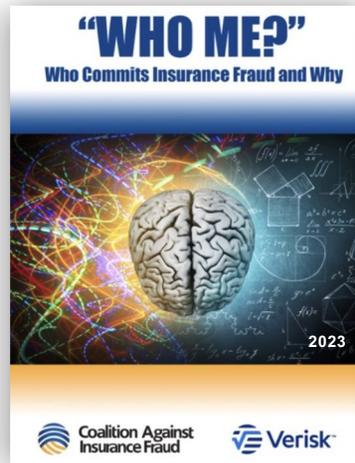
Information:

- Publications
- Webinars
- Research Studies & Reports
- Videos & Infographics
- Member Alerts
- Arrests & Convictions

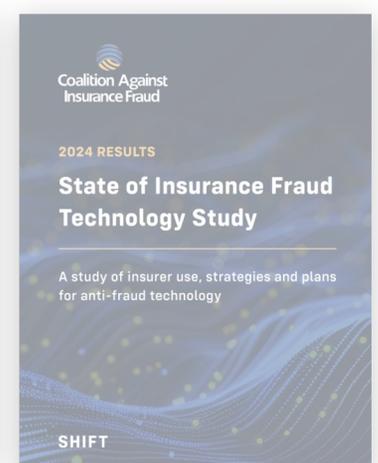
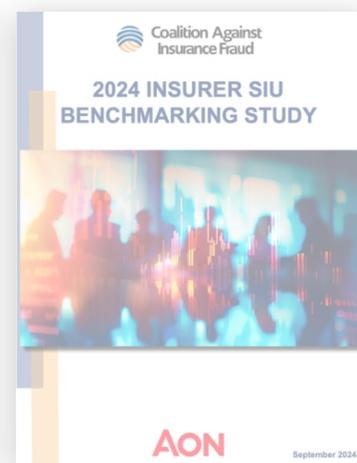
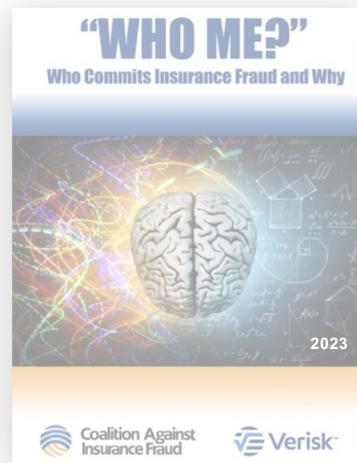
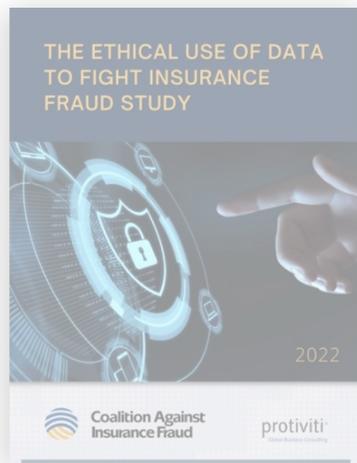
Outreach:

- Consumer Resources
- Campaigns & Speaking
- Hall of Shame
- Prosecutor of the Year Award
- Membership Meetings
- Committees & Task Forces

What we know so far...



Insurance fraud is expensive...



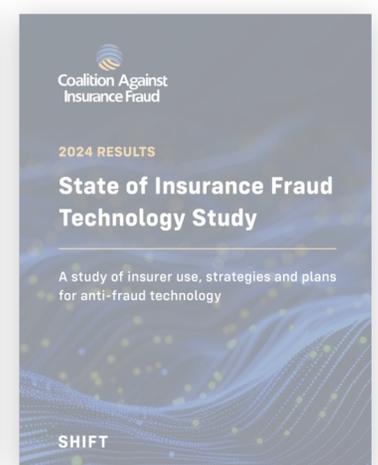
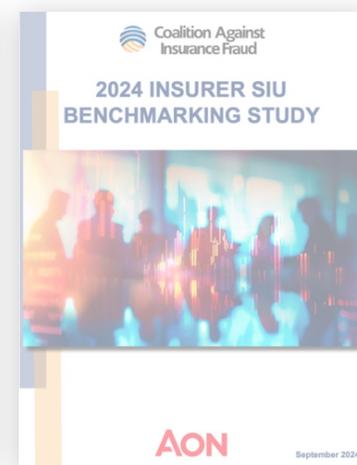
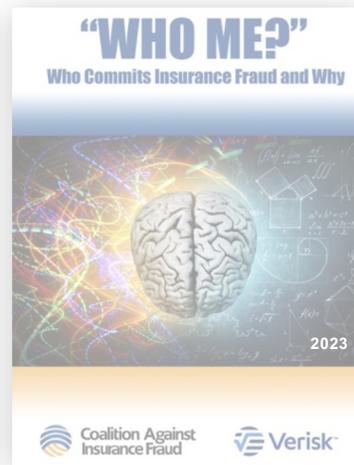
Insurance fraud is expensive... \$308.6B lost per year

Almost \$1,000 lost per person each year

\$3,750 lost per family each year

\$74,000 over your lifetime

Data collection and use is growing...



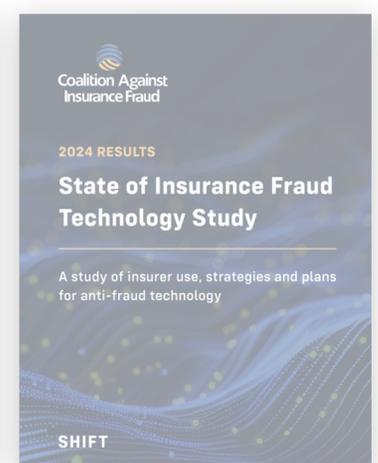
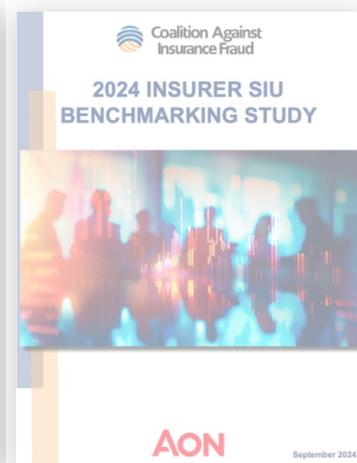
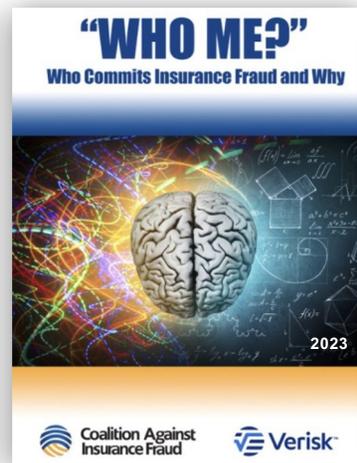
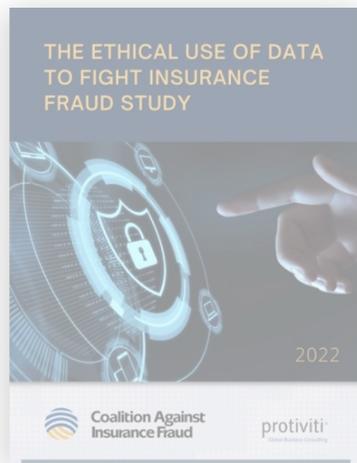
Data collection and use is growing at an exponential rate

Done correctly, the use of data can protect consumers from fraud

83% of consumers support using their data to fight insurance fraud

Consumers trust state regulation the most

Consumer attitudes are troubling...



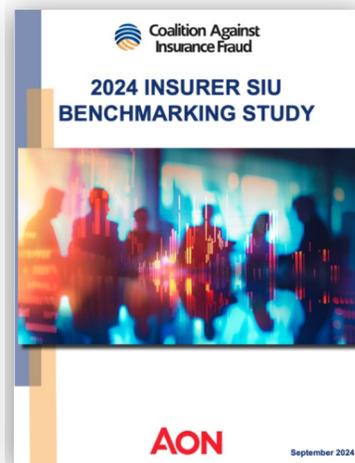
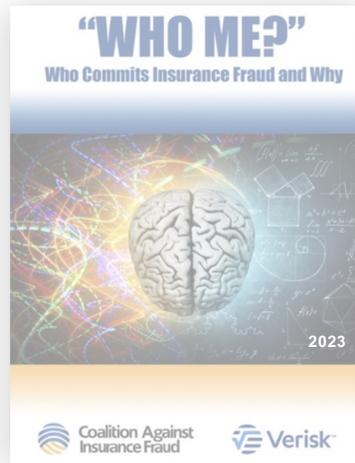
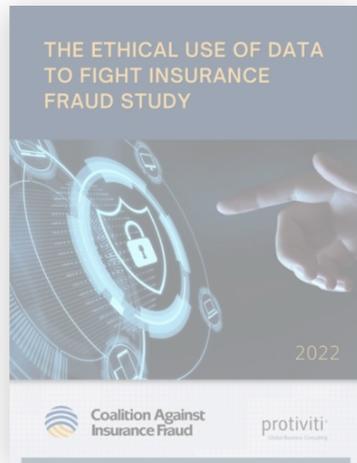
53M Americans do not view insurance fraud as a crime

35% would Definitely or Might commit insurance fraud

55% know someone who has committed insurance fraud

27% of 18-24 year-olds felt envious or motivated

Fraud fighting is changing...



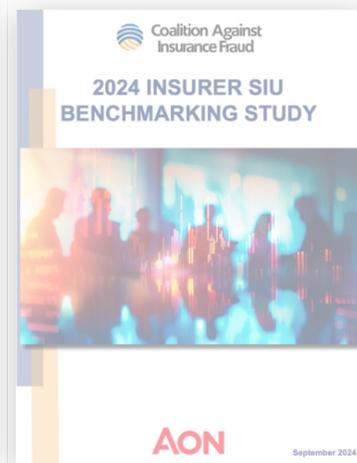
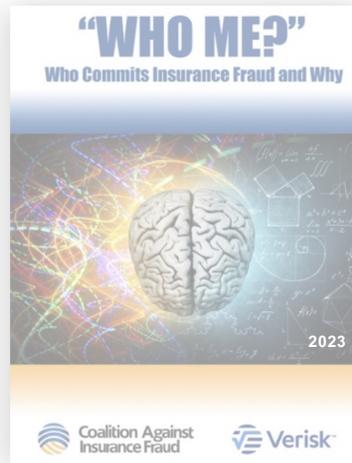
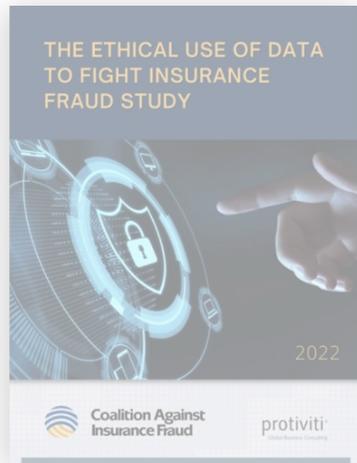
Artificial intelligence was the #1 top concern among anti-fraud leaders

Fraud fighter staffing is slowing

Field to desk SIU is nearing a 50/50 mix

29% of accepted SIU referrals are automated

Anti-fraud technology is here to stay...



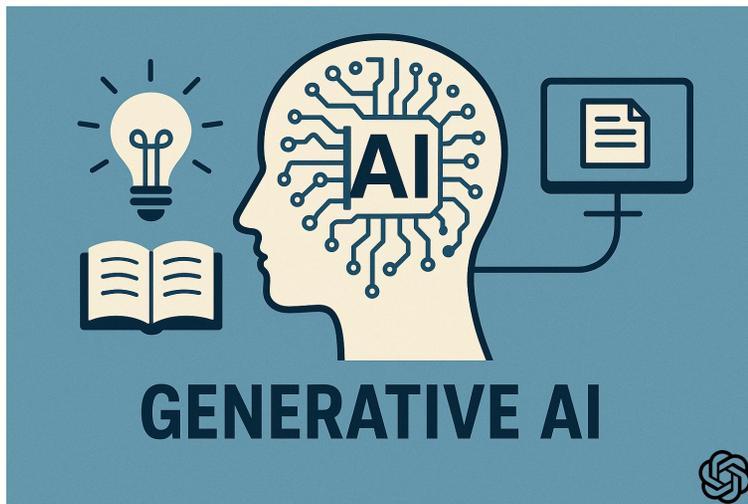
Insurers report a consistent YOY growth in suspected fraud cases

Insurers are leveraging a broad spectrum of technologies to combat fraud

Yet... adoption of anti-fraud technology varies significantly

Most insurers consider investing in technology in the near future

Generative AI

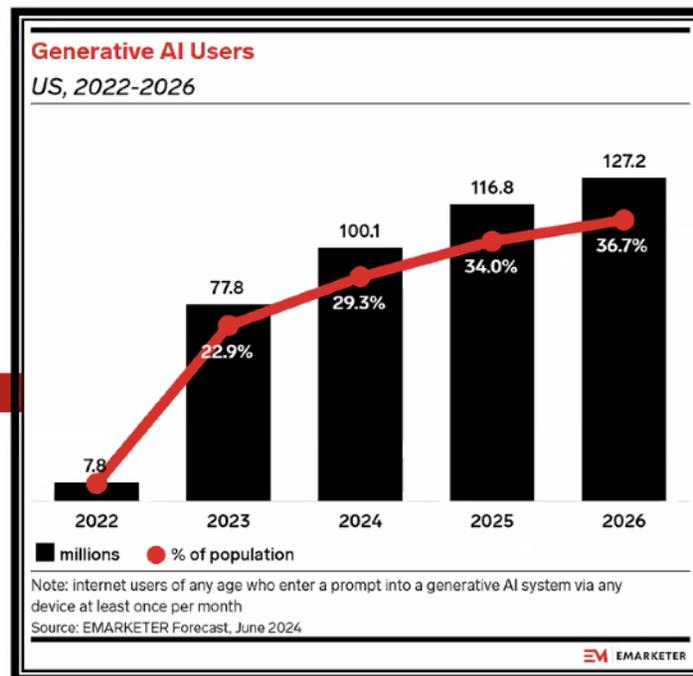


AI that:

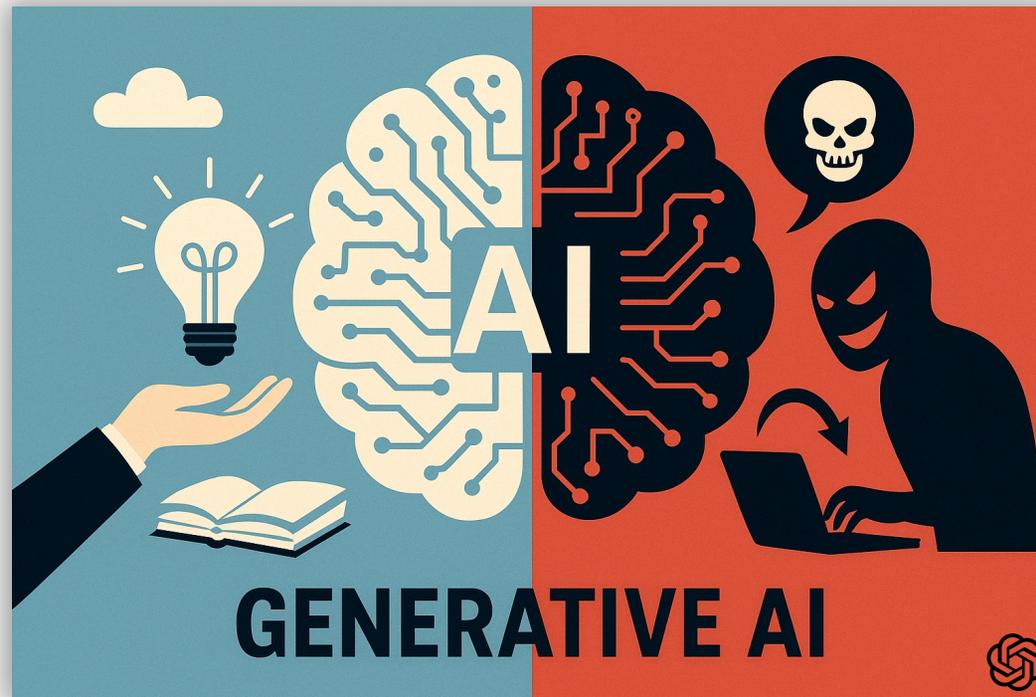
- **creates** new content (text, images, audio, video),
- **learns** from patterns in existing data,
- generates original outputs that **resemble human-created work**

Generative AI... exploding in usage

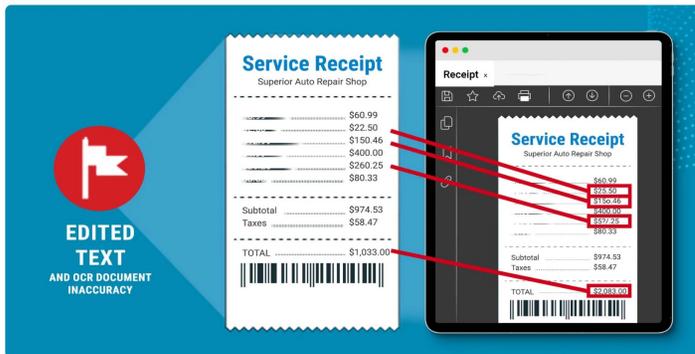
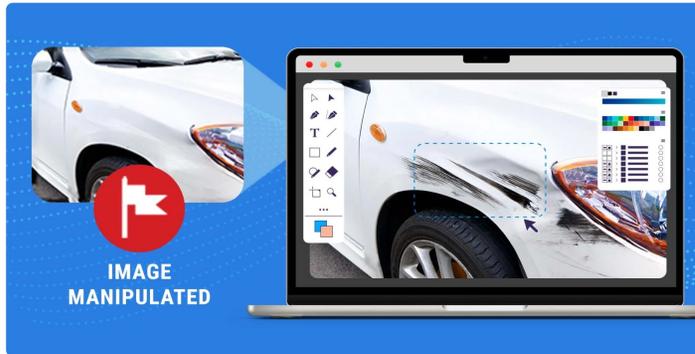
In the U.S., forecasts show GenAI usage surged from 7.8 million in 2022 to 100.1 million in 2024 -- nearly a 900% increase in two years.



Generative AI... a double-edged sword?



Examples of Gen AI Fraud Capability



<https://www.verisk.com/blog/breaking-down-digital-media-fraud-for-claims-in-the-ai-era/>

The Coalition's Generative AI Study

Generative AI And Insurance Fraud: Breaking Down the Data, Trends & Impact
August 21, 2025 - 2 PM (EST)



Michelle Rafeld Dennis Toomey Horace Chu

First study to gauge how **Gen AI** is being used to:

- **Fight** insurance fraud
- **Commit** insurance fraud

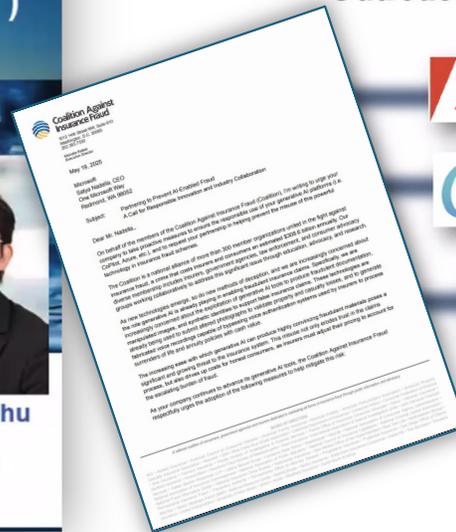


The Coalition's Generative AI Study... part of a larger conversation

Generative AI And Insurance Fraud: Breaking Down the Data, Trends & Impact
August 21, 2025 - 2 PM (EST)



Michelle Rafeld Dennis Toomey Horace Chu



Outreach to leaders of the top AI platforms:



The Coalition's Generative AI Study... Key Findings

Adoption is Limited	Challenges are Consistent	Strong Forward-Looking Posture	Shared Concerns for Gen AI Fraud
<ul style="list-style-type: none"> • Most groups remain in exploratory or pilot stages • Insurers lead in live deployments 	<ul style="list-style-type: none"> • Data privacy concerns and regulatory uncertainty • Absence of governance frameworks • Lack of internal expertise • Funding constraints 	<ul style="list-style-type: none"> • Majority intend to expand Gen AI use in 1 to 3 years • Focused on operational support, fraud detection, and case documentation 	<ul style="list-style-type: none"> • 100% of respondents are concerned about Gen AI insurance fraud schemes

Insurance Carriers

Law Firms

Insurance Fraud Bureaus

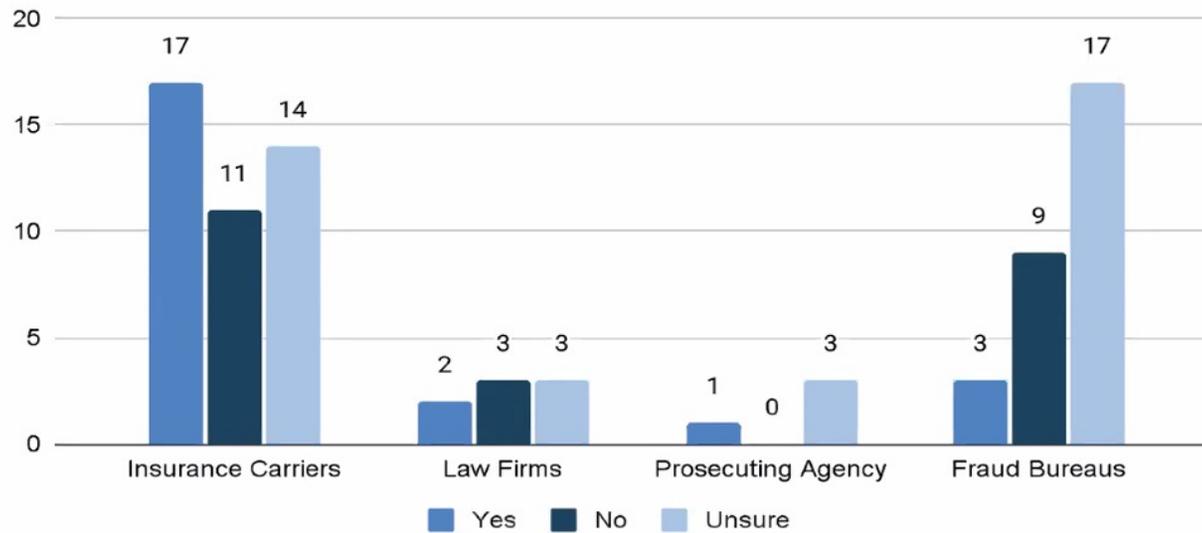
Prosecuting Agencies

The Coalition's Generative AI Study... Anti-Fraud Use of Gen AI

Insurance Carriers	Law Firms	Insurance Fraud Bureaus	Prosecuting Agencies
<ul style="list-style-type: none">• Assist with SIU investigative efforts• General fraud detection• Claim process	<ul style="list-style-type: none">• Summarize investigative documentation• Summarize case materials• Trial preparation	<ul style="list-style-type: none">• Most cautious approach• Internal documentation support• Basic trend analysis	<ul style="list-style-type: none">• Limited adoption• Internal documentation support• Legal research and case analysis

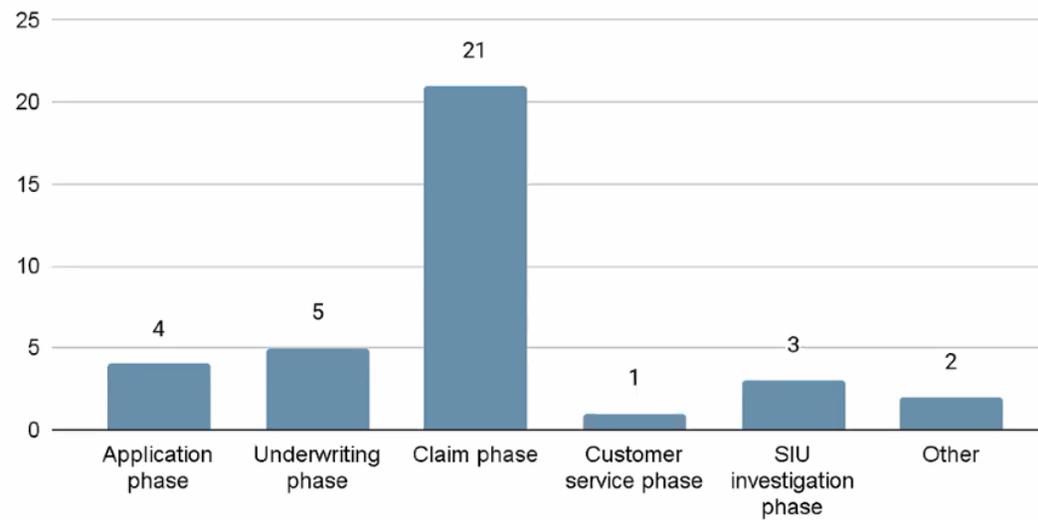
The Coalition's Generative AI Study... Fraudster Use of Gen AI

Have you received fraud cases where an individual used generative AI to commit insurance fraud?



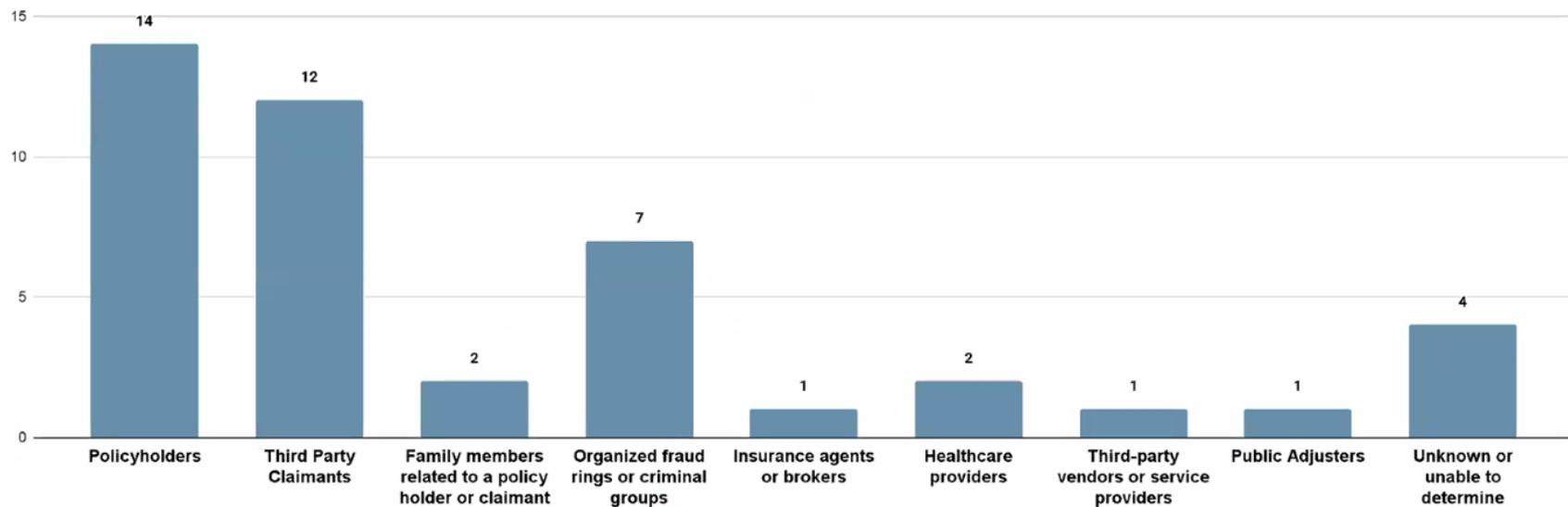
The Coalition's Generative AI Study... Fraudster Use of Gen AI

What stage and how was generative AI used to commit fraud?

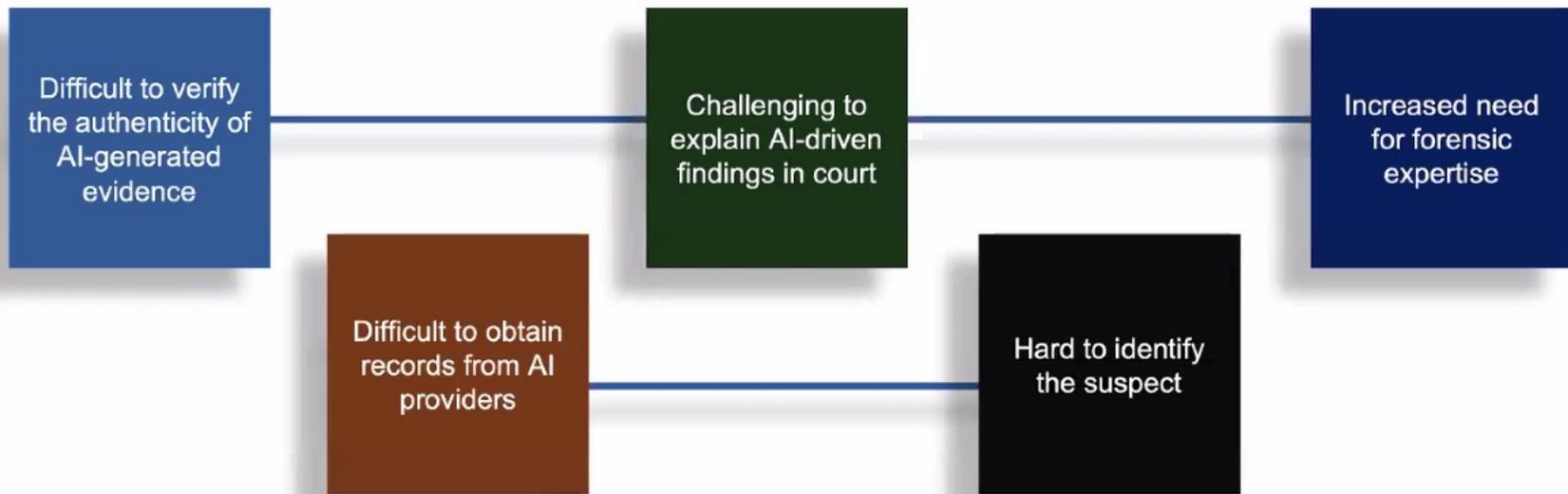


The Coalition's Generative AI Study... Fraudster Use of Gen AI

Who was identified as using generative AI to commit insurance fraud?



The Coalition's Generative AI Study... Challenges



The Coalition's Generative AI Study... Governmental Needs



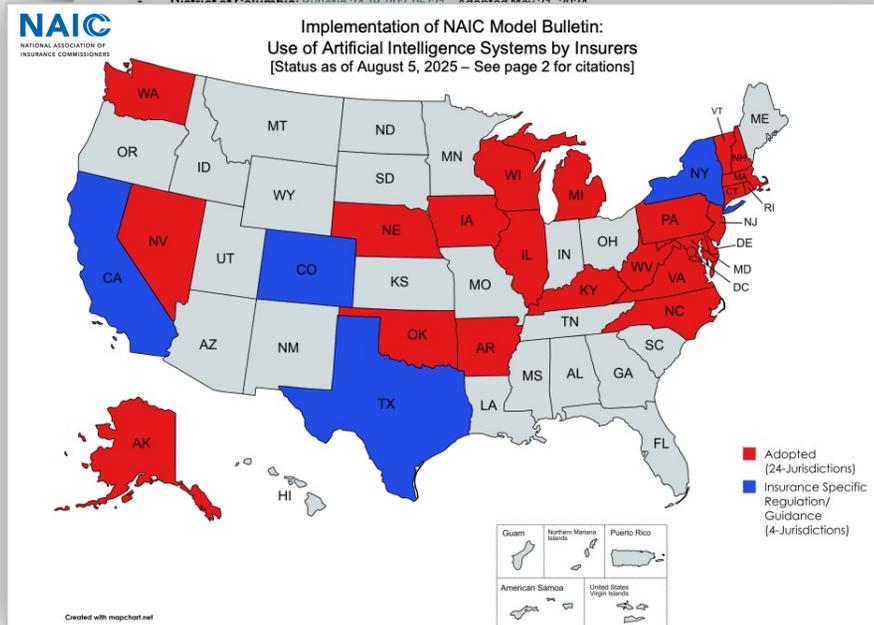
Regulatory & Legislative Landscape

Reference List

NAIC Model Bulletin: *Use of Artificial Intelligence Systems by Insurers* – Adopted December 4, 2023

Adopted States

- **Alaska:** [Bulletin B 24-01](#) – Adopted February 1, 2024
- **Arkansas:** [Bulletin 13-2024](#) – Adopted July 31, 2024
- **Connecticut:** [Bulletin No. MC-25](#) – Adopted February 26, 2024
- **Delaware:** [Domestic and Foreign Bulletin No. 148](#) – Adopted February 5, 2025
- **District of Columbia:** [Bulletin 24-18-003-05/24](#) – Adopted May 21, 2024



- America's AI Action Plan
- Federal Moratorium Struck Down
- State Laws (CA, CO, NY, TX)
- NAIC Model Bulletin, *Use of AI*
- NAIC RFI of Possible Model
- NCOIL Draft Model, *Insurer Use*
- AI Bills
- Deepfake, Digital Forgery (PA, NJ)

“Insurance Fraud Prevention is Consumer Protection”



AI-Enabled Fraud

- Readily accessible
- Fraudsters are first adopters
- Difficult to keep pace

Impact to the Marketplace

- Complicates underwriting
- Solvency, cost of doing business
- Strains internal resources

Impact to Consumers

- Accessibility, coverage gaps
- Affordability, rising premiums
- Delays undermine consumer trust and create frustration

In Conclusion...

- Insurance fraud is costly... consumers are often caught in the middle
- Fraud fighting is evolving... Gen AI is here to stay
- Gen AI has both positives and negatives
- While Gen AI is being used by fraud fighters, they are challenges
- Regulatory and legislative action is often reactive
- We owe it to the insurance consumer to get this right



Thank
You