

The New Face of Insurance Fraud: Combining Human Expertise with Artificial Intelligence

Insurance fraud has always evolved alongside technology.

From forged invoices and altered bank statements to sophisticated organised fraud rings, investigators have continually adapted their methods to identify deception and protect the integrity of the claims process.

Today, however, we are entering a new phase.

The widespread availability of generative artificial intelligence has fundamentally changed the way fraudulent documentation can be created. Documents that once required specialist software and considerable effort can now be produced in minutes, often appearing convincing enough to withstand a routine review.

For insurers, brokers and claims professionals, this represents one of the most significant changes to fraud risk in recent years.

The challenge is no longer simply detecting fraud

Historically, investigators relied on experience to identify inconsistencies—differences in formatting, unusual wording, incorrect logos or obvious alterations.

While those indicators remain important, today's fraudulent documents are becoming increasingly sophisticated.

Bank statements, invoices, tenancy agreements, repair quotations and supporting correspondence can all be generated or manipulated using AI-powered tools. In many cases, the documents appear authentic at first glance, making traditional visual inspection alone increasingly insufficient.

This changing environment requires a different approach.

Technology should enhance, not replace, professional judgement

At McLarens Investigation Practice (MIP), we believe technology is most effective when it supports experienced investigators rather than replacing them.

Artificial intelligence can rapidly identify anomalies, detect evidence of digital manipulation and compare documents against known templates. It can process large volumes of information far more quickly than manual review.

However, determining what those findings actually mean still relies on experienced investigators who understand claims, evidence, policy interpretation and human behaviour.

The most effective investigations combine advanced technology with professional judgement.

Looking beyond the document

A genuine-looking document is only one part of the evidentiary picture.

Our investigations increasingly focus on both **verification** and **validation**.

Verification considers whether a document shows signs of alteration, manipulation or AI-generated content.

Validation asks an equally important question: *Does the organisation behind the document actually exist?* Are business details consistent? Can addresses, telephone numbers and tax information be independently verified? Does the information align with other available evidence?

Answering these questions provides a far stronger assessment than relying on the appearance of a document alone.

Learning from complex claims

Many investigations begin as routine claims.

Through careful evidence gathering, behavioural analysis, technical expertise and detailed document examination, seemingly straightforward matters can reveal issues such as forged agreements, inaccurate valuations, underinsurance or questions regarding insurable interest. Each investigation reinforces the importance of approaching every claim with curiosity, objectivity and an evidence-led methodology.

These experiences also highlight an important point: successful investigations are rarely the result of a single piece of evidence. Rather, they emerge through the careful assessment of multiple sources of information and an understanding of how those pieces fit together.

Building capability across the Industry

The pace of technological change means fraud investigation cannot stand still.

At McLarens, we continue to invest in specialist investigative expertise, emerging technologies and knowledge sharing across our global network to ensure our teams remain equipped to respond to increasingly sophisticated fraud risks.

The objective is not simply to identify fraudulent claims. It is to provide insurers and clients with confidence that decisions are supported by robust evidence, independent analysis and the highest professional standards.

As fraud techniques continue to evolve, so too must our investigative capabilities.

By combining experienced investigators with innovative technology and global collaboration, we believe the industry is well positioned to meet the challenges ahead while continuing to protect the integrity of the claims process.

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