



# The rising threat of deepfake and identity fraud in commercial insurance

The insurance industry faces an ever-increasing threat from the growing sophistication of methods used to commit identity fraud.

Artificial Intelligence has allowed fraudsters to create deepfakes - realistic-looking fake videos, audio clips or pictures that falsely show individuals engaging in actions that they did not actually undertake. This includes using imitation voices to impersonate business owners or executives when submitting an insurance claim.

The use of 'shallowfakes' also continues to pose a major threat. Shallowfakes involve simpler edits to existing images such as selective editing, cropping or other more basic modifications to fabricate evidence, distort and perpetuate identity theft. This could involve forging driving licenses, vehicle registration papers, repair invoices, and estimates to support fraudulent claims.

**Instances of insurance fraud resulting from stolen identities nearly doubled in the 12 months from May 2023 to April 2024<sup>(1)</sup>. We have encountered examples of shallowfake manipulation.**

## Fraudulent activities are becoming more sophisticated

Detective Chief Inspector Tom Hill, who leads the Insurance Fraud Department at the City of London Police, warned insurers about the increasing use of deepfakes in insurance fraud. Advancements in technology are expected to phase out less sophisticated fraudulent activities involving documentation<sup>(2)</sup>

At AXA, we're well placed to protect our genuine customers, having recently been **honoured with the Insurance Post's Counter Fraud Team of the Year award for their exceptional efforts in tackling fraudulent activities.**

- (1) 97% rise in intelligence submissions for suspected insurance fraud networks linked to ID theft added to the IFB's IFIHUB (Insurance Fraud Intelligence Hub) by UK insurers, police and regulators. April 2022 - March 2023, 235 intel reports. April 2023 - March 2024, 464 intel reports.
- (2) Police warn insurers about uptick in deepfake fraud - Insurance Post ([postonline.co.uk](https://postonline.co.uk))



“We're passionate about detecting and protecting our honest customers from increasingly sophisticated fraud techniques. We maintain a diligent approach, combining innovative technology with enviable expertise. I'm proud that our commitment to creating a culture that identifies fraud at the earliest opportunity has been recognised with the **Counter Fraud Team of the Year** title at the **2024 Insurance Post Claims & Fraud Awards.**”

Edward Frost, Head of Fraud Strategy, AXA





## Protecting our customers from fraudulent activity

Alongside our broker partners and customers we can work together to exercise vigilance. Below are some practical steps, suggested by our award-winning team, that you and our customers can take to help detect and combat these threats:

1. Encourage employees to quickly report any suspicious client interactions or requests and create a culture of vigilance and proactive fraud prevention.
2. Consider any documents and ID documents with scrutiny. Common issues relate to spelling mistakes, irregularities in formatting and colours / fonts. Look out for erasures and overwriting, hazing, branding, demarcation lines etc.
3. Verify signatures wherever possible.
4. Refer to other genuine documents to cross compare any differences.
5. On hard copy documents look at the paper quality, watermarks and any other defining hallmarks that should be present.
6. Have a quick check online to make sure the contact details match, the branding matches, colours, addresses etc.
7. Driving licenses can be validated [here](#).
8. Changes to the driving licence and categories can be checked [here](#).
9. There is also an online Public Register of Authentic Identity and Travel Documents to assist with checks [here](#).



**£34.5m** in fraud savings year to date



**77%** of our fraud professionals are ACFS (Accredited Counter Fraud Specialist) qualified or working towards this



**72%** of respondents in an Insurance Post survey ranked identity fraud in their top three of the most difficult fraud types to detect, ahead of professional / organised fraud and opportunistic fraud<sup>(3)</sup>

(3) Insurance Fraud Survey Report, 2024 – Insurance Post, in collaboration with LexisNexis Solutions. Insurance Fraud Survey Report | LexisNexis Risk Solutions

**Find out more about recognising and reporting fraud**

Disclaimer: This guidance has been prepared for general information only and is not legal advice. We have tried to ensure that the information in this guidance is accurate, but it is provided without responsibility to or reliance by you. If you need legal advice about what action to take, you should contact an appropriate adviser or solicitor. We assume no responsibility for the contents of any linked websites. The inclusion of any link should not be taken as endorsement of any kind by us of the linked website or any association with its operators and we have no control over the availability of the linked pages. The information in this guidance is focused on the position in England (unless otherwise stated) and different considerations may apply elsewhere. Nothing in this guidance will affect the rights and obligations under any insurance policy you may have with AXA Insurance. AXA Insurance UK plc Registered in England and Wales No 78950. Registered Office: 20 Gracechurch Street, London EC3V 0BG. A member of the AXA Group of Companies. AXA Insurance UK plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Telephone calls may be recorded and monitored.