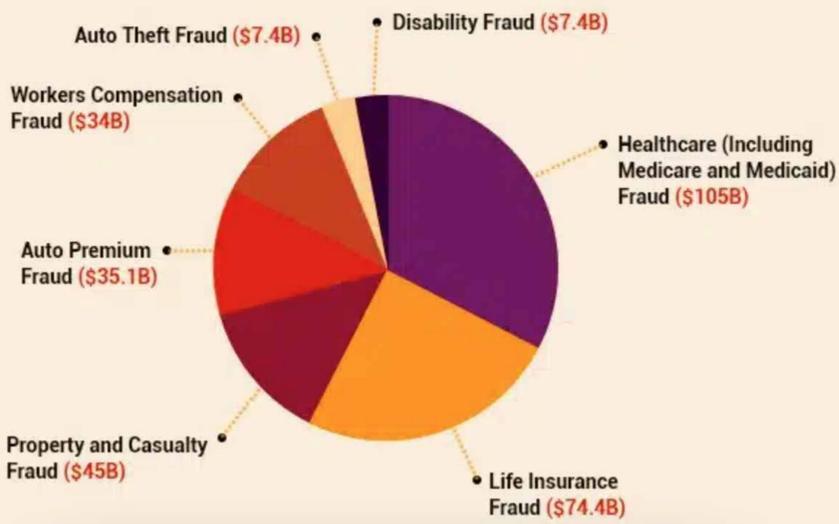




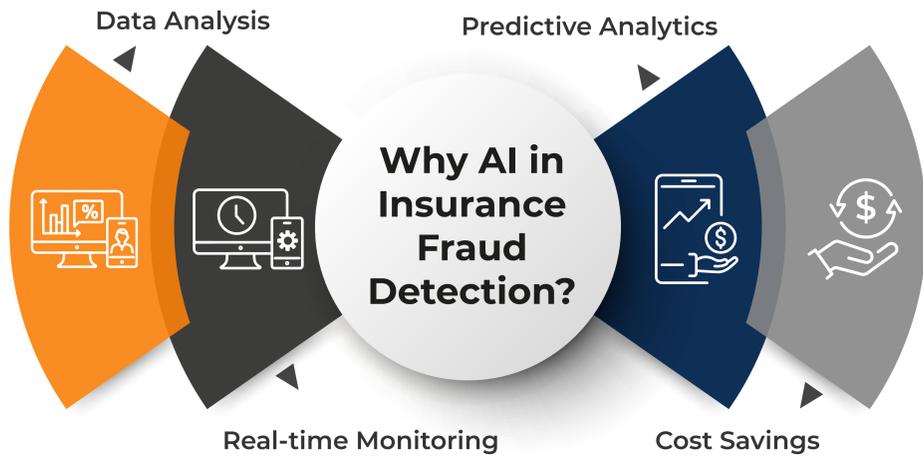
Top 7 Claims Frauds AI Can Detect

AI-driven fraud is evolving at an alarming pace. From deepfake scams to AI-enhanced account takeovers, businesses face growing financial and reputational risks. To fight back, AutomationEdge is helping businesses with AI-based solutions to detect threats before they cause damage. As per research, Insurance frauds cost Indian insurers nearly ₹45,000 crore every year (Deloitte & Livemint). Almost 10% of premium collections are lost to fraud annually. AI + Automation is now mission-critical for fraud detection.

Average Cost of Insurance Frauds in the U.S. Every Year – \$308.6 Billion



Source: <https://www.damcogroup.com/>



Techniques to Detect and Prevent Fraud

- 1 Text Analytics**
AI algorithms analyze claim documents for suspicious language or inconsistencies, flagging claims for further investigation while adhering to regulations such as IRDAI mandates that prevent bias and discrimination in risk assessment models.
- 2 Audio, Image, and Video Analysis**
Speech recognition and sentiment analysis technologies assess customer calls to detect signs of distress or deception. Image analytics verify photo authenticity by detecting metadata anomalies, repeated usage, or tampering. Video analytics validate the occurrence and extent of damages, ensuring claims authenticity and identifying any staging.
- 3 Geospatial Analysis**
Satellite imagery and detailed 3D drone footage provide comprehensive verification of damage locations and extent, often revealing insights that physical inspections may miss, improving the accuracy and efficiency of claim assessments.
- 4 Internet of Things (IoT) Data**
IoT devices like vehicle telematics systems can reconstruct accidents, offering objective evidence to verify claims legitimacy. Similarly, smart home sensors such as water leak detectors and security cameras supply real-time data that help corroborate claim details.

These AI-powered capabilities collectively enhance fraud detection, expedite claims processing, and improve accuracy, enabling insurers to deliver faster, fairer, and more transparent claim settlements. This integrated analytical approach empowers insurance providers to safeguard their bottom lines while maintaining customer trust and regulatory compliance.

Claim Frauds AI can Detect

- Fake Documentation**
~70% of fraud cases in India involve falsified documents (Livemint).
AI/Automation: OCR & forgery detection, Aadhaar/PAN verification, real-time cross-checks with regulatory databases.
- Identity Theft**
Over 27 million Indians experienced identity theft in the past year (Norton). Complaints of fake profiles rose 53.8% in Delhi (2023) (WION).
AI/Automation: Digital KYC, biometric validation, fraud pattern detection.
- Platform Frauds**
57% of fraud incidents in India are platform frauds - via fintech apps, e-commerce & social media (PwC). 80,000 fake motor insurance policies issued via e-portals in 2022-23 (Economic Times).
AI/Automation: Transaction monitoring, anomaly detection, portal data reconciliation.
- Collusion & Fraud Rings**
Deloitte survey highlights a rise in organized insurance fraud in India.
AI/Automation: Detects suspicious networks across claimants, garages, hospitals, and even insiders.
- Medical/Health Insurance Fraud**
Health insurance is most vulnerable – with inflated hospital bills & false treatments (Deloitte India Survey).
AI/Automation: Pattern recognition on claims, treatment vs. diagnosis validation, provider fraud detection.
- Motor Insurance Fraud**
Motor insurance frauds range from fake accidents to inflated repair bills.
AI/Automation: Standard repair cost benchmarking, image analytics for vehicle damage, FNOL integration with DAR (Detailed Accident Reports).
- Overall Premium Leakage**
Insurers lose 10% of collected premiums to fraud annually = ~US\$6 billion loss (Deloitte 2023).
AI/Automation: Fraud scoring at FNOL, end-to-end straight-through processing, reduced leakages

How AutomationEdge Helps

- Identifies Duplicate Claims, Inflated bills**
» Helps flag suspicious claims based on anomalies and historical fraud patterns.
- Detects Tampered Data**
» Automatically extracts and validates data to catch mismatches between documents and claim information.
- Ensures Zero Manual Oversight Delay**
Helps Flag Violations like:
 - » Claim amounts exceeding coverage
 - » Missing documents
 - » Incorrect coding
 - » Suspicious frequency of claims
- Real-time Data Cross-Verification**
Bots verify claimants data with:
 - » Policy data
 - » Provider databases
 - » Public fraud registries
 - » Previous claim history
- Preventive Fraud Controls**
AutomationEdge AI- based solutions help with
 - » Monitors transaction patterns continuously.
 - » Uses predictive analytics to identify likely future fraud attempts.
 - » Helps insurers enforce stronger fraud governance.

AutomationEdge empowers insurers to cut fraud, speed up claims, and protect genuine policyholders.

[DOWNLOAD THE INFOGRAPHIC](#)

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