

# Verisk State of Insurance Fraud Study

March 2026



## Objective

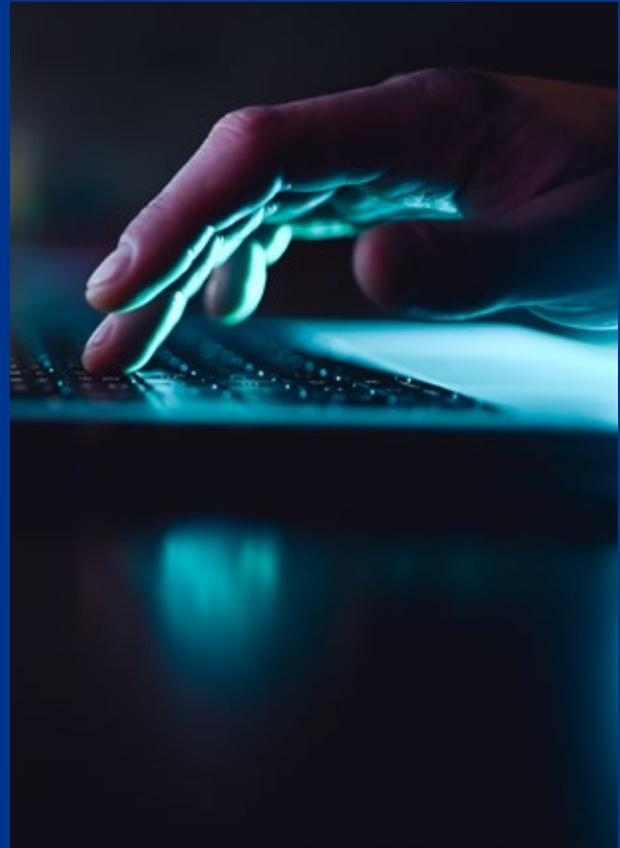
This document highlights key insights from Verisk's State of Insurance Fraud surveys of both U.S. claims professionals and consumers.

## Methodology

Verisk commissioned two separate surveys: one of 1,000 U.S. consumers ages 18 and older who own a smartphone, computer, or tablet, and another of 300 U.S. insurance claims professionals at the manager level or above working at property and casualty, life, and reinsurance companies, as well as third-party insurance administrators. Data was collected from December 2025 through January 2026.

## Key Consumer Findings

- 55% of Gen Z consumers and 49% of millennials say they're at least somewhat likely to make a small, rule-bending edit to a claim photo or document, compared with just 12% of baby boomers.
- 62% of consumers believe people use AI tools to manipulate claim documents often or very often.
- 69% of consumers believe fraudulent insurance claims will increase premiums for all policyholders



## Key Insurer Findings

- 98% of insurers agree that AI-powered editing tools are fueling a rise in digital media fraud.
- 100% of insurers have acted in response to digital media fraud—most commonly by increasing internal training and establishing new guidance for adjusters.
- 58% of insurers are very confident in their ability to detect edits to real photos or videos, while only 32% of insurers feel very confident about identifying deepfakes.

## Theme 1

# Anyone can do it: AI editing tools make digital insurance fraud more accessible

- 57% of consumers have used AI editing tools: primarily on smartphones (68%), laptops (27%) and tablets (5%).
- Nearly half (44%) of consumers who have used AI editing tools say their edited photo, video, or document was “very realistic.”
- With this widespread use, personal connections to AI-driven manipulation are common: 41% of consumers know someone who has used AI editing tools to alter or create a photo, video, or document for financial gain (e.g., in insurance claims, product returns, or online sales).
- This figure jumps to 64% for Gen Z and 54% for millennials, compared with just 31% of Gen X and 15% of baby boomers.
- When it comes to insurance specifically, more than 60% of consumers believe people use AI to manipulate insurance claims often or very often [Fig. 1].

**[Fig. 1]: How often consumers think people use AI editing tools to manipulate documents for insurance claims**

Very often (more than 50% of the time)	<b>29%</b>
Often (21-50% of the time)	<b>33%</b>
Sometimes (10-20% of the time)	<b>23%</b>
Rarely (1-9% of the time)	<b>10%</b>
Never	<b>4%</b>

- Insurers are seeing the impact first-hand:
  - 98% agree that AI-powered editing tools are driving a rise in digital media fraud.
  - 99% have encountered manipulated or AI-altered documentation
  - 76% say submissions have become more sophisticated in the past year.

**Key takeaway:** Digital manipulation is no longer a fringe behavior. It's mainstream, accessible, and already changing the landscape for insurers. Usage and awareness are especially high among younger generations, signaling that digital fraud risks may grow more widespread.

## Theme 2

# The ethics gap: Where consumers draw (and cross) the line

- 65% of consumers say it's unacceptable to make damage look worse in a claim photo, no matter the cause.
- 63% of consumers believe that altering a photo or document is a serious issue, regardless of dollar amount.
- But 36% say they'd still be at least somewhat likely to make a small edit to strengthen a claim, even if it breaks insurer rules.
  - Younger generations are more likely to bend the rules: 55% of Gen Z and 49% of millennials would consider a small edit, compared with 28% of Gen X and 12% of boomers.
- This flexible attitude extends to specific claim scenarios—many consumers find certain edits acceptable, even when those changes could affect how a claim is evaluated [Fig. 2].
  - When asked what actions are acceptable, 52% think adjusting brightness or contrast to make damage easier to see is acceptable, and 41% believe flipping or rotating an image and repairing a blurry or damaged photo to make damage visible is acceptable.
  - 15% say exaggerating damage is acceptable, and 13% are fine with creating a photo of damage that didn't happen at all.

[Fig. 2]: Percentage of consumers who find each action acceptable

Adjusting brightness, clarity, or contrast to make damage easier to see	52%
Flipping or rotating an image to reorient it	41%
Repairing a blurry or damaged photo to make damage visible	41%
Cropping out unrelated background elements so the damage is unmistakable	39%
None of the above	20%
Editing a photo to exaggerate damage	15%
Creating a photo of damage that didn't occur	13%
Removing metadata from the image	13%
Editing the metadata of the image	13%
Altering invoice or receipt amounts	11%



- Most consumers anticipate real consequences if fraud is detected: 60% expect legal action or criminal charges, 57% expect a denied claim, and 51% anticipate canceled policies or having to repay money. Nearly all (97%) selected at least one consequence [Fig. 3].

**[Fig. 3]: Top consumer-expected consequences of altering a claim photo or document**

Legal action or criminal charges	60%
Denied claim	57%
Repayment of any money received	51%
Cancellation of the insurance policy	49%
Flagged across insurers/difficulty getting future coverage	49%

- 53% of insurers believe at least half of policyholders who alter claim photos or documents don't realize their edits may qualify as fraud, suggesting that many insurers perceive policyholders as unaware of where the boundaries truly are.

**Key takeaway:** While most consumers claim strong ethics, real-world choices and attitudes—especially among younger generations—reveal a wide gray area. The line between “clarifying” and “crossing the line” is blurry, and many may not realize when they’ve gone too far.

### Theme 3

# How insurers are defending the digital claims frontier: tools, tactics, and trials

- Insurers are deploying a layered defense against digital media fraud:
  - 65% use automated third-party or vendor-provided AI-based detection tools.
  - 58% use general consumer AI image-detection tools.
  - 50% use internally developed, AI-based detection tools.
  - 44% rely on manual review
  - 20% use other automated, non-AI detection tools.
- Of insurers that rely on manual review, half require it for all submissions, while 42% use it only for suspicious or high-risk submissions.
- Insurers are confident in their detection capabilities, but doubts remain: 43% of insurers feel very confident in their ability to assess authenticity of digital media at scale, but a greater share (55%) are only somewhat confident.
- Insurer confidence in detecting digital media fraud varies by fraud type: 58% of insurers are “very confident” they can detect edits to real photos or videos, compared with just 32% for deepfakes.
- Consumers are less certain, with only 21% saying insurers are “very likely” to detect edits to real photos or videos, and 22% saying the same for deepfakes.
- While insurers are mostly confident in their ability to detect fraud, several challenges persist—especially insufficient integration between fraud tools and existing claims systems, cited by 39% [Fig. 4].
  - Managers are more likely to cite unclear ownership between teams as a challenge, while vice presidents and executives more often highlight tool performance issues such as false positives and missed fraud.

**[Fig. 4]: Top challenges in identifying AI-manipulated or fraudulent digital media**

Insufficient integration between fraud tools and existing claims systems	<b>39%</b>
Digital media fraud detection tools miss too many fraudulent submissions	<b>38%</b>
Digital media fraud detection tools create too many false positives	<b>35%</b>
Difficulty keeping pace with evolving fraud techniques	<b>34%</b>
Lack of cross-carrier visibility into suspicious images or documents	<b>34%</b>

**[Fig. 5]: Insurer actions taken in response to digital media fraud in the past year**

Increased internal training or awareness on AI-generated fraud	54%
Established new guidance or policies for adjusters handling suspicious media	51%
Conducted internal audits or assessments related to digital media fraud	48%
Invested in building or buying fraud detection technology	47%
Updated claims review processes or workflows	45%
Expanded collaboration between claims and SIU teams	42%
Joined or expanded participation in cross-carrier data-sharing initiatives	33%

• In response to digital media fraud, 54% of insurers have invested in internal training in the past year, and 51% have established new guidance for adjusters handling suspicious media [Fig. 5].

• Yet industry collaboration remains a weak link: Only 27% of insurers believe cross-carrier sharing of suspicious media data is strong and highly effective, while most describe industry sharing as inconsistent or only moderately effective [Fig. 6].

- Managers are most optimistic: 43% say sharing is strong and effective compared with 24% of directors, 21% of VPs, and 32% of C-suite executives.

**[Fig. 6]: How insurers view industrywide sharing of suspicious media data**

Sharing is inconsistent and leaves gaps	34%
Sharing happens, but it's only moderately effective	32%
Industry sharing is strong and highly effective	27%
Sharing is weak and insufficient for catching cross-carrier fraud	7%

**Key takeaway:** Insurers are making real investments in tools, talent, and teamwork to keep pace with digital fraud. But persistent challenges around collaboration and evolving threats such as deepfakes show that the defense is still a work in progress. As the fraud landscape shifts, so must the industry's strategies and willingness to work together.

## Theme 4

# Today's fraud is reshaping the future of insurance

- Despite investments in detection, digital media fraud may occur more than many realize: 66% of insurers believe it goes undetected “often” or “very often.”
  - This risk is amplified for high-volume carriers, with 21% saying fraud goes undetected very often, compared with 8–15% among other groups.
- At the same time, while 68% of consumers say they're confident in spotting altered content, only 29% feel “very” confident, underscoring that keeping pace with evolving fraud techniques is a challenge for both insurers and policyholders.
- Consumers see clear stakes: 69% believe fraudulent claims will raise premiums for all policyholders, not just those involved in claims.
  - Concerns about premium hikes are pronounced among older consumers, with 82% of baby boomers expecting premiums to rise for all, compared with just 54% of Gen Z.
- When asked about their top concern with AI-driven insurance fraud, 42% of consumers point to higher premiums for honest customers, and nearly all (93%) have at least one worry [Fig. 7].
  - Baby boomers are twice as likely as Gen Z to be concerned about honest customers paying the price for fraud (56% vs. 28%).

**[Fig. 7]: Top consumer concerns with digital media fraud**

Fraud leading to higher premiums for honest customers	<b>42%</b>
A legitimate claim being denied because documents or photos are mistakenly flagged as suspicious	<b>36%</b>
AI being used to exaggerate or fabricate damage in a claim	<b>26%</b>
Stolen personal information being used to file a fraudulent claim	<b>26%</b>
Insurers relying too heavily on AI instead of human review when deciding whether media is authentic	<b>22%</b>
Insurers missing manipulated photos or documents and paying out fraudulent claims	<b>21%</b>
I'm not worried about any of these	<b>7%</b>

**[Fig. 8]: What insurers expect as consequences of digital media fraud in the next 3–5 years**

Higher adoption of technology solutions to offset increase in media fraud	48%
More regulation or consistency in media documentation across the industry to enable fraud detection	48%
More stringent documentation or proof-of-loss requirements for claimants	45%
Greater operational strain on claims teams	36%
Higher premiums for consumers	35%
Increased claim cycle times	35%
Increased SIU caseloads	29%
Higher loss ratios	27%
More frequent disputes and claim denials	26%

• Insurers also expect significant downstream impacts in the next few years, including higher tech adoption, tighter regulations, and stricter documentation requirements [Fig. 8].

- For the highest-volume insurers, 55% say higher premiums for consumers is the most likely future consequence, a sharp increase over the 35% average.

**Key takeaway:** The stakes of digital media fraud extend far beyond any single claim. Both consumers and insurers anticipate a future defined by higher premiums, tighter scrutiny, and new operational challenges. Continued innovation and a sharp focus on protecting honest policyholders will be essential to preserve trust.





+1.800.888.4476  
info@verisk.com

[verisk.com/anti-fraud](https://verisk.com/anti-fraud)

© Verisk Analytics, Inc. All rights reserved.