Gen Re®

2025 Fraud Survey – India Life Insurance Market

Summary Report

A Berkshire Hathaway Company

Contents

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Introduction

Insurance fraud is a global threat with significant financial and social repercussions. Faced with an ever-changing risk environment, insurance companies must continuously adapt to effectively deter, detect, and investigate potential matters of concern.

As a leading global reinsurer, Gen Re recognizes the challenges the insurance industry faces with regard to identifying fraud and mitigating risk. We have, therefore, launched a series of international studies in support of our clients worldwide.

Our ***Fraud Survey of the Indian Life/Health Insurance Market*** was designed to highlight best practices, identify vulnerabilities, and to point out opportunities for improvement and support.

The survey addressed fraud-related issues that broadly affect multiple product lines. The questions covered several categories: Personnel & Training, Underwriting and Organizational Processes, Claims Processes, Policy Language, and Recording & Reporting.

The 17 Life companies who participated offer Individual Life, Group Life, Loan Cover, Critical Illness (CI), Specialized CI, Accidental Total and Permanent Disability (TPD), Accidental Death, Fixed Hospital & Surgical Benefit, and Hospital Indemnity.

Analysis of the response data allowed Gen Re to identify key strengths and opportunities, summarized below.

Personnel & Training

Strengths

- Nearly all respondents have an in-house Risk/Fraud/Special Investigation Unit (SIU) dedicated for identification and investigations of questionable claims and underwriting matters.
- A significant number of respondents expect to increase their staffing levels and/or their budget related to fraud prevention technology indicating a strong focus on fraud prevention. Fraud awareness training for staff is ubiquitous, reflecting industry best practices.

Opportunities

- When it comes to Claim Team structure, specialization may provide benefits. Having separate teams for each type of claim may allow assessors to develop product-specific skills and experience, resulting in enhanced claims risk management.
- Some may wish to consider the merits of aligning Risk/Fraud/SIU teams by region/zone. Several respondents may need to establish a routine cadence of fraud awareness training. This could include introducing Academic Programmes as a training mode for enhancement of technical knowledge.
- Some may consider wide range of training from basic claim assessment to integrating new technologies for better fraud detection during Underwriting and claims process.

Processes & Procedures – Underwriting

Strengths

- There is a high prevalence of automated control mechanisms being used at Underwriting stage to mitigate risk.

Opportunities

- Enhance/adopt manual fraud detection methods at the time of Underwriting to complement System automation – this is a more balanced approach to enhance fraud detection. This may be achieved by imparting regular training/requiring academic qualification/granting restricted net search access for background checks, etc.
- Although Insurance Information Bureau of India (IIB) data is used widely, certain IIB platforms appear to be underutilized. For example, the Caution Repository, Retrospective, and MOMA.

Processes & Procedures – Organizational

Strengths

- Insurers take advantage of a wide array of IIB data resources to help mitigate risk. The collaboration between insurers and the regulatory body is remarkable, and something other markets can learn from.
- All respondents have processes to monitor whether agents/brokers/firms demonstrate unusual trends. And nearly all have controls to monitor for potential internal fraud. Maintaining such processes is a best practice that helps mitigate insider threat risks.
- The majority have systems or processes to detect account takeovers, identity theft and accounts associated with fake (or synthetic) identities. This is crucial, considering the elevated threats associated with such incidents globally.

Opportunities

- All respondents utilize processes to help identify fraud/misrepresentations/non-disclosures during the contestable period. However, the success rate appears to vary widely. Perhaps there is an opportunity for insurers to share best practices in a manner that is appropriate with the market's regulatory environment.

Processes & Procedures – Claims

Strengths

- Most companies have specific procedures in place that guide staff on how to investigate suspicious claims and bring them to resolution. This is key to ensure consistency and compliance.

Opportunities

- 65% of respondents do not utilize system automation to help identify suspicious claims. Doing so may add a layer of defense, facilitating fraud detection efforts.
- Those who use system automation mainly rely upon in-house Risk score models based on internal data and triggers. Some may consider introducing artificial intelligence or machine learning detection platforms to leverage new age technology
- Some insurers report they opt out of death verifications on Life claims in non-early claims and/or due to claim amount. Doing so may be a risk factor worth assessing.
- Many insurers may wish to consider the potential vulnerabilities associated with foreign death claims and implement appropriate review processes to ensure proper validations occur.
- Several respondents may choose to review their de-duplication processes across lines of business in order to reduce risks and achieve operational efficiencies
- The market may benefit if local authorities (e.g., the Insurance Regulatory and Development Authority of India [IRDAI]) establish a formal process that allows insurers to compliantly share information with each other during industry checks. This information exchange process should be adherent to the Data Protection Act and any other applicable regulations. The goal would be to afford insurers the opportunity to safely share appropriate information with each other for the purpose of reducing fraud risk.
- Regarding third-party vendors and providers, the industry could explore ways to ensure that investigators in this market adhere to quality and compliance expectations.
- When suspicious claims are identified, few companies contact or involve Law Enforcement (47%) or share the data with IIB (29%). The industry might consider cultivating a collaborative relationship between insurers and law enforcement via joint education and establishing referral protocols.

Policy Language

Strengths

- Insurers utilize policies that contain language/clauses that allow for voiding the policy or declining claims when fraud, material misrepresentation, and/or material concealments are identified. This is an industry-wide best practice.

Opportunities

- Many may wish to explore the viability of added policy language related to cooperation and providing information/evidence. Such language, where permissible, gives insurers the contractual means to compel evidence.
- Industry may share fraud warnings on written communications with policyholders to make consumers aware of the ramification of insurance fraud, an effective strategy used in several markets worldwide.

Recording & Reporting

Strengths

- All participants compile annual fraud statistics. Such record-keeping and tracking is a crucial part of any fraud mitigation program, driving awareness and strategy. Respondents were, therefore, able to report on the most common types of fraud they encounter. In ranked order, they are as follows:
    1. Non-disclosures (predominantly medical)
    2. Impersonations
    3. Misrepresentations
    4. Document forgery
    5. Employee fraud
- When asked to identify the top factors that may be increasing their exposure to questionable claims, the top responses were:
    1. Difficulty in obtaining evidence
    2. Rise in remote/digital interactions with customers
    3. Lack of support from legal authorities
    4. Lack of information resources (e.g., claim history, background data, reliable private investigators)
    5. Customer authentication challenges

Opportunities

- Several respondents may need to examine their regulatory compliance with regard to the reporting of established fraud cases to the regulator (IRDAI): 29% respondents do not report to authorities.
- Noting that "difficulty in obtaining evidence" and "lack of support from Legal authorities" are top concerns, there may be value in collaborating with local legal and regulatory resources as to evidence collection, admissibility, and methods for developing compelling circumstantial cases in a compliant manner.
- We received mixed responses when participants were asked if there were laws in place that define Insurance Fraud as a criminal act, and whether any civil immunity statutes (laws) exist that protect insurers from liability when reporting suspected insurance fraud to authorities. This may point to the need for industry-wide education on this subject. Model statutes in certain markets have proved very successful and can provide a reference point.

Conclusion

The data from this survey indicates that the Indian Life/Health market has adopted many of the best practices associated with effective Underwriting and Claims risk management. However, effective fraud risk management involves a multi-layered approach that takes into consideration potential vulnerabilities, and should be ever-evolving. The survey also highlights key opportunity areas that clients can consider as potential ways to mitigate fraud risk.

Gen Re is here to support your organization's fraud risk mitigation efforts and is available to provide consultative services on any matter of interest. If you would like to learn more, or if you would like to discuss potential solutions, contact your local Gen Re representative.

Whitepaper Available

The full report on the survey data is available in a whitepaper format.

Request to receive it here:

genre.com/india-fraud-survey

Survey Results

No.	Questions	Responses
1	**How is your Claims Team structured?**	
	One central team for all types of claims	52.9%
	Separate teams for each type of claims	47.1%
2	**How many employees are there in your Claims Departments?**	
	1–5	0.0%
	6–10	17.6%
	11–19	35.3%
	20+	47.1%
3	**Do you have an in-house Risk/Fraud/Special Investigation Unit (SIU) or similar, that is dedicated to the identification and investigation of questionable claims and underwriting matters?**	
	Yes	94.1%
	No	5.9%
4	**How is your Risk/Fraud/SIU structured?**	
	One central team for all investigations	75.0%
	Separate teams for regions/zones	25.0%
5	**How many employees are there in your Risk/Fraud/SIU?**	
	1–5	31.3%
	6–10	31.3%
	11–19	25.0%
	20+	12.5%
6	**Within the next year, do you expect your Claims and Risk/Fraud/SIU staffing level to:**	
	Increase	41.2%
	Decrease	0.0%
	Remain the same	58.8%
7	**Other than staffing, within the next year do you expect your budget related to fraud prevention through technology to:**	
	Increase	70.6%
	Decrease	0.0%
	Remain the same	29.4%
8	**Are your Claims Assessors trained to identify suspicious indicators of potential frauds (i.e., fraud awareness training)?**	
	Yes	100.0%
	No	0.0%
9	**What type of fraud awareness training is provided to your Claims Assessors? (Check all that apply):**	
	Informal "on-the-job" training	100.0%
	Formal internal training programme e.g., periodic fraud awareness training	94.1%
	External training programme e.g., sessions by forensic expert/judicial authorities, etc.	52.9%
	Academic training programme e.g., courses offered by the Insurance Institute of India	23.5%

No.	Questions	Responses
10	**How often are employees provided fraud-awareness training?**	
	Quarterly	52.9%
	Yearly	17.6%
	Other	17.6%
	Monthly	11.8%
	Only during onboarding/new-hire training	0.0%
	Never	0.0%
11	**What training needs have you identified for your team?**	
	Open-Ended Response	
12	**Do you utilize straight-through (STP)/simplified Underwriting (UW) processes?**	
	Yes	100.0%
	No	0.0%
13	**Are there controls in place to identify questionable policies and/or applications sold via the STP/simplified UW process?**	
	Yes	100.0%
	No	0.0%
14	**During the UW process, how are questionable policies and/or applications identified for further review/investigation? (Check all that apply):**	
	Insurance Information Bureau of India (IIB) checks (e.g., utilization of other insurance details/red alert medical center database [Medical Network Task Force)	100.0%
	System automation (e.g., Risk score model)	94.1%
	Post-issuance book review	94.1%
	Pre-issuance verification call	88.2%
	Use of technology during pre-issuance medicals (e.g., face match/geo tagging, etc.)	82.4%
	Manual identification of suspicious indicators by UW assessor	76.5%
	Random sample (e.g., tele/video medical examination report in non-medical cases, discrete checks, etc.)	76.5%
	Artificial intelligence	29.4%
	Net search	23.5%
	Other	17.6%
15	**At the time of application, are all applicants asked if they have other policies in force, or if other policy applications are pending?**	
	Yes	100.0%
	No	0.0%
16	**Life only: Are Life Insurance applicants asked if the policy premiums are being funded by others?**	
	N/A	5.9%
	Yes	88.2%
	No	5.9%
17	**Does your company utilize routinely red alert medical center database (MNTF)/Registry of Hospitals in Network of Insurance (Rohini)**	
	N/A	0.0%
	Yes	94.1%
	No	5.9%

No.	Questions	Responses
18	**Does your company monitor negative areas/states/pin codes (i.e., locales with a high prevalence of suspected fraud)?**	
	Yes	100.0%
	No	0.0%
19	**How are these negative areas/states/pin codes identified? (Check all that apply):**	
	IIB or industry data	100.0%
	Internal data	82.4%
	Internal claim analysis	88.2%
	Ground intelligence	70.6%
	Mystery Shopping	5.9%
20	**Have you adjusted how you do business in these areas (e.g., stopped doing business, increased due diligence measures, or similar?)**	
	Yes	100.0%
	No	0.0%
21	**Do you engage in "Mystery Shopping" to help identify questionable entities (e.g., business enterprises, agents or brokers, branches, diagnostic centers, hospitals, etc.)?**	
	Yes	94.1%
	No	5.9%
22	**Do you have processes in place to monitor if certain agents/brokers/firms demonstrate unusual trends?**	
	Yes	100.0%
	No	0.0%
23	**Is there a process in place that allows individuals to inform your company of any suspected fraudulent behavior (e.g., a whistle-blower channel)?**	
	Yes	100.0%
	No	0.0%
24	**In order to properly authenticate and validate customers, do you have systems or processes in place that help identify account takeovers, identity theft, and accounts associated with fake (or synthetic) identities? For example, a know-your-customer program?**	
	Yes	94.1%
	No	5.9%
25	**Does your company conduct periodic fraud risk assessments?**	
	Yes	94.1%
	No	5.9%
26	**How often does your company conduct periodic fraud risk assessments?**	
	Annual	18.0%
	Quarterly	29.0%
	Monthly	6.0%
	Varying timeframes	35.0%
	N/A	6.0%

No.	Questions	Responses
27	**Which IIB resources does your company utilize? Choose all that apply**	
	Quest	91.4%
	Prism	88.2%
	Caution Repository	58.8%
	Retrospective	52.9%
	MOMA	23.5%
28	**Does your company have an ongoing process to identify frauds/misrepresentation/non-disclosure of in-force policies within contestability period?**	
	Yes	100.0%
	No	0.0%
29	**What is the estimated percentage of cases you identify in this process?**	
	Open-Ended Response	
30	**Are any of your claims straight-through processed, automated, or auto-adjudicated?**	
	Yes	23.5%
	No	76.5%
31	**Do your straight-through/non-assessed claims processes have controls in place to identify questionable claims and withhold them from automated processing?**	
	Yes	100.0%
	No	0.0%
32	**Do you have specific procedures in place that guide staff on how to investigate suspicious claims and bring them to resolution?**	
	Yes	88.2%
	No	11.8%
33	**How are suspicious claims identified for further review/investigation? (Check all that apply):**	
	Manual identification of suspicious indicators by staff	100.0%
	Internal database of suspicious indicators, red flags, watch list, or “red book”	94.1%
	Information from IIB	94.1%
	Information from industry	94.1%
	System automation	35.3%
	Other (please specify)	17.6%
34	**If system automation is used to detect possible claims fraud, what are you using? (Check all that apply):**	
	Automatic rules-based triggers, based on defined scenarios	83.3%
	Artificial intelligence or machine learning detection platforms	17.6%
	Other (please specify)	5.9%
35	**If system automation is used to detect possible claims fraud, what are you using? (Check all that apply):**	
	An in-house solution	100.0%
	An externally developed solution	0.0%

No.	Questions	Responses
36	**If system automation is used to detect possible claims fraud, how effective are these tools?**	
	Extremely effective	33.3%
	Moderately effective	66.7%
	Not effective	0.0%
	Comment	11.8%
37	**Do your Claims Assessors take steps to verify deaths on all Life Insurance claims?**	
	N/A	0.0%
	Yes	88.2%
	No	11.8%
38	**If your Claims Assessors don't take steps to verify deaths on all Life Insurance claims, under what circumstances are verifications bypassed?**	
	Open-Ended Response	
39	**Are special review processes in place for all claims involving deaths/hospitalisation/CI that occur abroad (foreign deaths)?**	
	N/A	0.0%
	Yes	64.7%
	No	35.3%
40	**Do your Claims Assessors perform routine due diligence (background) checks on every insured/claimant (e.g., online research, social media checks, database checks, etc.)?**	
	Yes	70.6%
	No	29.4%
41	**If your Claims Assessors don't perform routine due diligence (background) checks on every insured/claimant, please state the criteria for selection.**	
	Open-Ended Response	
42	**Do your Claims Assessors routinely check for all policies across different product types? (De-Duplication between Retail/Group Credit/Group Term Life/Health/Indemnity)**	
	Yes	70.6%
	No	29.4%
43	**Do your Claims Assessors routinely check for any changes that have been made to the policy/coverage/beneficiaries close to the date of claim?**	
	Yes	88.2%
	No	11.8%
44	**Do your Claims Assessors routinely perform due diligence checks to verify customer-supplied evidence?**	
	Yes	100.0%
	No	0.0%
45	**Please state the measures to perform due diligence checks (e.g., obtain police report, financials, medical records, employment records, in-field verifications, witness interviews, surveillance, etc.)**	
	Open-Ended Response	

No.	Questions	Responses
46	**Other than IIB, do you utilize third-party digital tools, analytic platforms, or information platforms to assist with claim verifications or other transactions?**	
	Yes	52.9%
	No	47.1%
47	**Other than IIB, which third-party digital tools, analytic platforms, or information platforms do you utilize? (Check all that apply):**	
	Photo/image analytics	41.2%
	Customer authentication tools	41.2%
	Document analysis tools	35.3%
	Miscellaneous public records (e.g., courts, licenses, electoral)	35.3%
	Claim history databases (not from IIB)	23.5%
	Other (please specify)	23.5%
	Data brokerage/aggregator (e.g., consumer reports)	17.6%
	Social media search vendor	17.6%
	Signature analysis/verification tools	17.6%
	Fraud/waste/abuse analytic platform	11.8%
	Metadata analysis tools	5.9%
	Voice analytics	0.0%
	Biometric analytics	0.0%
48	**Who is responsible for claim investigation process in your company? (Check all that apply):**	
	Internal Risk/Fraud unit	52.9%
	Claims team	70.6%
	Other (please specify)	0.0%
49	**Do you outsource claim investigation activities to third-party providers (e.g., vendors, private investigators, etc.)?**	
	Yes	100.0%
	No	0.0%
50	**What types of activities are assigned to third-party providers?**	
	Open-Ended Response	
51	**How do you ensure control/quality mapping of third-party claim investigators and providers? (Check all that apply):**	
	Performance evaluation by internal regulatory committee	76.5%
	Regular training	70.6%
	Audits	64.7%
	Mystery shopping	64.7%
	Other (please specify)	23.5%

No.	Questions	Responses
52	**When suspicious claims are identified, do you contact or involve the following? (Check all that apply):**	
	Internal Risk/Fraud/SIU	100.0%
	Industry peer groups	94.1%
	Internal Legal Department	82.4%
	Internal senior management	76.5%
	Claims Review committee	47.1%
	Law enforcement (police complaints/first information report)	47.1%
	IIB	29.4%
	Other (please specify)	5.9%
53	**Do you have system controls (e.g., Workflow) in place to monitor claims authority for all types of claims, to help identify insider threats/employee fraud?**	
	Yes	94.1%
	No	5.9%
54	**Specify the types of claims (e.g. Group Term/Credit cover) where system controls are not in place**	
	Open-Ended Response	
55	**Do you have system controls in place to monitor payouts for all types of claims to help identify insider threats/employee fraud?**	
	Yes	94.1%
	No	5.9%
56	**Specify the types of claims (e.g. Group Term/Credit cover) where system controls are not in place**	
	Open-Ended Response	
57	**Is there an information-sharing process in place for industry checks that has been formally defined and approved by your regulator?**	
	Yes	64.7%
	No	35.3%
58	**Do your insurance policies contain language/clauses that allow for voiding the policy or declining claims when fraud, material misrepresentation, and/or material concealments are identified?**	
	Yes	100.0%
	No	0.0%
59	**Do your written communications with customers contain anti-fraud warnings of any sort?**	
	Yes	82.4%
	No	17.6%
60	**Do all policy contracts contain language that requires the customer/insured to cooperate and provide information relevant to their claim?**	
	Yes	88.2%
	No	11.8%
61	**Do your policies afford the insurer the right to require an insured to submit to an Examination Under Oath, factual interviews, or similar?**	
	Yes	29.4%
	No	70.6%

No.	Questions	Responses
62	**In the jurisdictions where you do business, are there laws in place that define Insurance Fraud as a criminal act?**	
	Yes	70.6%
	No	29.4%
63	**In the jurisdictions where you do business, are there immunity statutes (laws) in place that protect insurers from civil liability when reporting suspected Insurance Fraud to appropriate authorities?**	
	Yes	58.8%
	No	41.2%
64	**What consequences might an insured/claimant face if fraud is identified? (Check all that apply):**	
	Termination of the policy	100.0%
	Denial of claim	100.0%
	Rejection of Application	94.1%
	Possible criminal prosecution	88.2%
	Repayment of any ill-gotten insurance proceeds	52.9%
	Other (please specify)	11.8%
65	**What is the most common type of fraud identified by your company? Responses in Ranked Order:**	
	Non-Disclosures (medical predominantly)	
	Impersonations	
	Misrepresentations	
	Document Forgery	
	Employee Fraud	
66	**Do you report all established cases of fraud to the authorities?**	
	Yes	70.6%
	No	29.4%
67	**To whom are they reported?**	
	Open-Ended Response	
68	**Does your company compile annual fraud statistics (e.g., number of claims declined or proportioned down on the grounds of fraud and misrepresentation)?**	
	Yes	100.0%
	No	0.0%
69	**Are your fraud statistics reported to any regulatory bodies or industry groups?**	
	Yes	52.9%
	No	47.1%
70	**To whom are they reported?**	
	Of the respondents who do report fraud statistics to a regulatory body or industry group, all report their data to IRDAI/IIB	
71	**Has your company seen an increase in suspicious claims since the onset of the COVID-19 pandemic?**	
	Yes	41.2%
	No	29.4%
	Uncertain	29.4%

No.	Questions	Responses
72	**Select the top 5 factors that may be increasing your exposure to questionable claims**	
	Difficulty in obtaining evidence	100.0%
	Rise in remote/digital interactions with customers	64.7%
	Lack of support from legal authorities	58.8%
	Lack of information resources (e.g., claim history, background data, reliable private investigators)	52.9%
	Customer authentication challenges	47.1%
	Regulatory restrictions related to information-sharing and personal identifiable information.	41.2%
	Company reluctant to investigate due to customer service concerns, litigation avoidance, ombudsman/regulatory involvement, or similar	23.5%
	Internal systems and/or available internal data are not optimized for fraud detection	23.5%
	Relaxation of UW guidelines	23.5%
	Economic stressors (e.g., inflation or other cost of living factors)	23.5%
	Lack of training: staff have insufficient awareness of fraud trends, flags, indicators, etc.	17.6%
	Underwriting digitization (e.g., straight-through/simplified UW processes)	17.6%
	Company lacks automated resources/analytical tools to detect suspicious activity	5.9%
	Fraud detection is not an organizational priority	0.0%
	Claims digitization (straight-through processing with little/no supporting documents/non-assessed claims)	0.0%
73	**How may Gen Re support your organization's Claims & Underwriting Risk Management efforts?**	
	Open-Ended Response	

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