



Navigating the New Threat Landscape: Tackling AI-Generated Misinformation in Insurance

The rapid evolution of GenAI is reshaping the insurance industry, not just in efficiency, but in terms of risk as well. Today the insurers are dealing with AI-generated misinformation such as deepfakes, synthetic media and manipulated documents that are amplifying fraud and challenging the very foundation of trust in insurance processes.

According to various industry estimates, 10–20% of all insurance claims are estimated to be fraudulent, though many go undetected. The Financial Conduct Authority in the UK reported that 78% of insurers in 2024 recorded steady or increasing fraud numbers, signaling that traditional detection methods are losing ground against evolving threats.

At such times, you need a multi-layered strategy, combining technology, operations and culture to combat.



To learn more, please visit our webinar "[Navigating the New Threat Landscape: Tackling AI-Generated Misinformation in Insurance](#)". This webinar addresses the rapidly evolving threat of AI-generated misinformation, its impact to the insurers and ways to tackle it. It is now available to watch on demand.

The Iran/US/Israel Crisis: Early Geopolitical Risk analysis

The ongoing geopolitical tensions involving Iran, the United States and Israel have significantly escalated, posing substantial challenges for the global insurance industry. This escalation has immediate and far-reaching consequences for global commerce, energy markets and the insurance sector. Below, we have assessed how these developments are likely to impact the insurance industry, examining both immediate short-term reactions and potential long-term structural shifts.

The Iran/US/Israel Crisis: Early Impacts on the Global Insurance Markets	
General Impact	<ul style="list-style-type: none"> - Re-evaluation of exposure and risk frameworks - Scrutiny on solvency and capital adequacy
Short Term Anticipations	<ul style="list-style-type: none"> - Terrorism and Political Violence Insurance: Surge in claims for physical damage and destruction of privately-owned civilian assets (such as shopping malls, hotels, ports, airports, energy facilities) - Possible addition of states bordering the Persian Gulf and Red Sea in the list of excluded areas for marine hull insurance or revised higher premiums for them. (current excluded areas are most of the Red Sea, Gulf of Aden and Persian Gulf) - Cancellation of war risk covers and reinstatement with revised pricing and restrictions - Higher claims because of loss of vessels (due to attack on them), loss of hire of vessels - Economic and supply chain impacts due to the closure of the Strait of Hormuz (through which approximately 20% of the world's crude oil and LNG supply passes). It would likely cause inflation and as a result, significant spike in trade credit and contract frustration claims
Long Term Impacts	<ul style="list-style-type: none"> - Forced abandonment claims under political risk policies can also see rise if the western companies withdraw personnel and cease operations in the region. - Premiums for war risk, political violence and marine insurance are likely to remain elevated for an extended period, even after active hostilities subside - Reduced insurance capacity in high risk regions and more stringent underwriting with a greater focus on granular geopolitical risk assessments - The disruptions to global supply chains may influence demand for supply chain interruption and political risk insurance - Regulators may increase their focus on insurers' exposure to geopolitical risks and may demand new capital requirements or stress testing scenarios - The reinsurance market, particularly for specialty lines like marine and aviation war, will face increased pressure, which may lead to higher costs and capacity constraints for primary insurers

Source: Insurance Directions

Conclusion

The Iran/US/Israel crisis presents a complex and evolving challenge for the insurance industry. While short-term impacts are characterised by immediate premium hikes, coverage cancellations and a surge in claims across various lines, the long-term outlook points to a fundamental recalibration of risk assessment, underwriting practices and market capacity. We might also see development of new insurance products or alternative risk transfer mechanisms to address these geopolitical threats. Insurers will need to adapt swiftly to this new geopolitical reality, focusing on robust risk management, innovative product development and close collaboration with reinsurers and governments to navigate the heightened uncertainty.



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