

INSURANCE · MOTOR ACCIDENT CLAIMS

The two-minute fraud in **motor claims** - and what it costs.

In a motor accident claim, the damage photo is the evidence. In 2026 that photo can be edited or generated in under two minutes with a free app. This brief sizes the leakage that creates for a motor insurer and shows the dollar impact of sealing evidence at first notice of loss. Every figure is drawn from published 2026 industry research.

WHAT CAPSEAL IS

Trust for claim evidence, decided at the moment of capture.

Generative AI has made it trivial to fake the photos and documents that decisions rely on - a claimant can deepen the damage on a car photo in under two minutes, with no skill, and it passes inspection. Detecting the fake after the fact is a losing arms race.

CapSeal seals evidence on the device, the instant it is captured - cryptographically binding each photo or document to a real device, time and place, and proving it has not been altered since.

Genuine evidence flows straight through to fast settlement; fabricated evidence cannot produce a valid seal, so it is stopped before any money moves. Each decision carries a proof that can be independently verified. CapSeal integrates into the app and workflow already in use - it is not a rip-and-replace.

THE PROBLEM, IN THE INDUSTRY'S NUMBERS

Manipulated damage photos went mainstream in a year

Motor is the most exposed line: high photo volume, digital first-notice-of-loss, and fast settlement.

Insurers now report image manipulation as a present, scaling reality - not an emerging risk.

98%

of insurers say AI editing tools are fuelling digital claim fraud

Verisk, 2026

20-30%

of claims now include some form of AI-altered media

Shift Technology, 2026

36%

of consumers would alter a claim image or document (55% of Gen Z)

Verisk, 2026

+71%

rise in fraudulent claims at one major insurer in 2025

Admiral, 2026

Two structural facts compound it. AI-generated fakes pass traditional verification checks more than 90% of the time, and roughly three in four flagged claims are never investigated because Special Investigation Unit capacity cannot keep up. The evidence cannot be trusted by inspection, and there are not enough investigators to inspect it.

THE SHIFT

Detection is losing an arms race it entered late

TODAY

- ✗ Adjusters cannot reliably tell edited or AI-generated damage from real
- ✗ Forensics guess after the fact; every new image model resets the game
- ✗ ~75% of flagged claims go uninvestigated for lack of capacity
- ✗ Honest claimants wait weeks behind blanket fraud checks
- ✗ Fabricated-image payouts are found, if ever, only after money has moved

WITH CAPSEAL

- ✓ Edited and generated images cannot produce a valid seal - blocked at intake
- ✓ The trust decision is made at capture, not reconstructed later
- ✓ Attested claims auto-clear, freeing investigators for genuine suspicion
- ✓ Honest claimants settle in minutes, not weeks
- ✓ Money never moves on evidence that was never real

HOW IT WORKS IN A MOTOR CLAIM

Four steps, at first notice of loss

01

Capture

The driver photographs the damage in your existing claims app, powered by the CapSeal SDK.

02

Seal

The image is signed on-device by the phone's security chip - bound to device, time and place.

03

Verify

CapSeal checks the seal and runs anti-spoofing: a real lens saw a real vehicle.

04

Decide

One verdict into your workflow - pay now, review, or reject - with a proof attached.

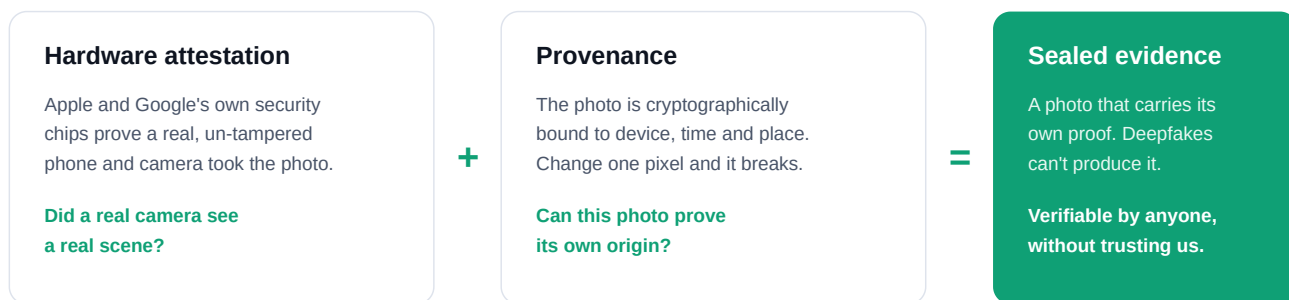
THE MECHANISM, IN ONE PICTURE

How the seal is made - and why it can be trusted

The trust does not come from CapSeal's opinion. It is built on two things that happen on the device at the instant of capture: **hardware attestation** proves a real camera saw a real scene, and the **provenance seal** binds the image to its origin so any later change is provable. Together they produce evidence that carries its own proof.



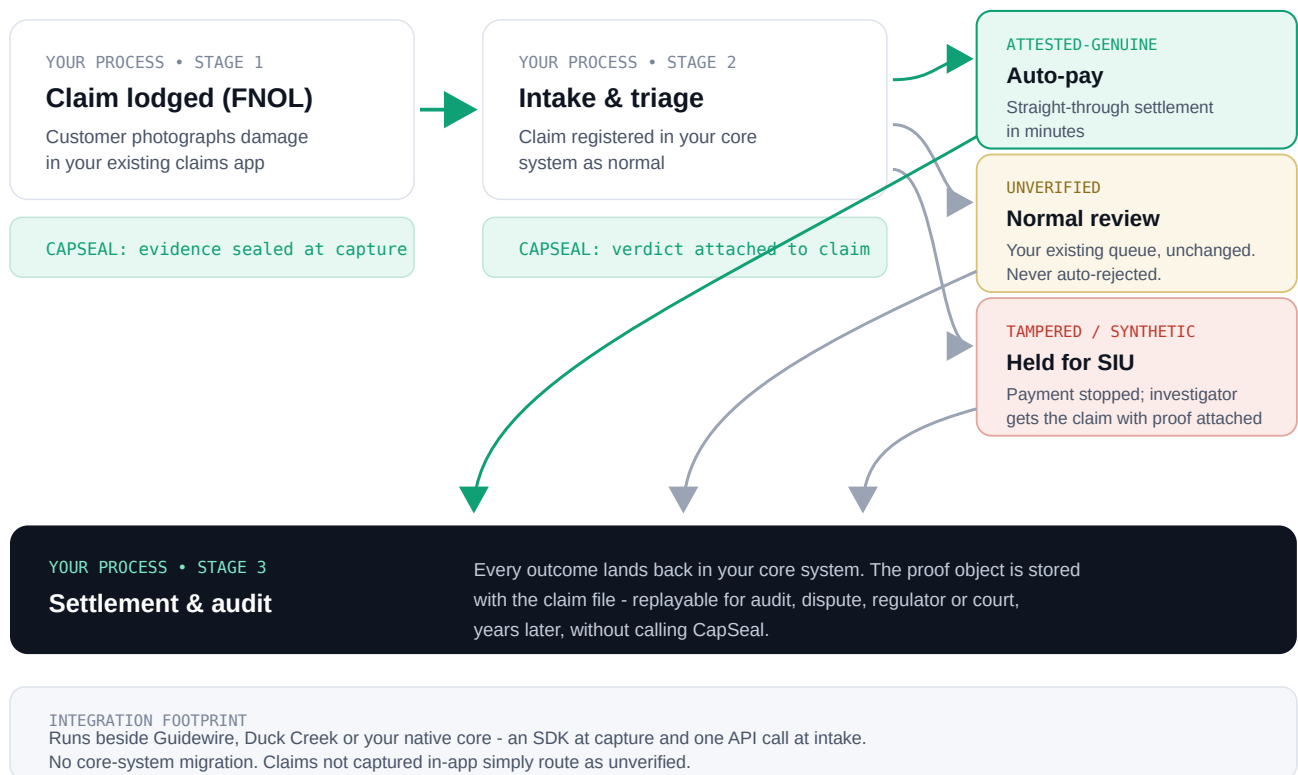
INSIDE THE SEAL



Genuine claims pass and pay instantly. Fabricated evidence never gets a seal.

Where CapSeal sits in the claim lifecycle

CapSeal does not replace your claims process - it adds two touchpoints to the one you already run. Evidence is sealed at lodgement, a verdict attaches at intake, and triage routes each claim down one of three paths. Every outcome lands back in your core system, with the proof stored on the claim file. Claims not captured in-app are never punished: they simply route to your normal review, exactly as they do today.



THE DOLLAR MODEL

Sizing the leakage for a mid-size motor insurer

A transparent, bottom-up build for a carrier writing 200,000 motor claims a year. It isolates manipulated-image fraud specifically - not all fraud - and applies deliberate haircuts so the figure is defensible, not promotional.

ANNUAL MOTOR CLAIMS	AVERAGE CLAIM VALUE	CAPTURED IN-APP	CLAIMS WITH ALTERED MEDIA	FRAUD WITHIN THOSE
200,000	\$8,000	60%	25%	20%
AVERAGE INFLATION				
30%				

CALCULATION	STEP	VALUE
Sealable claims 200,000 x 60%	x 60%	120,000
With AI-altered media 120,000 x 25%	x 25%	30,000
Fraudulent-inflation claims 30,000 x 20%	x 20%	6,000
Gross image-fraud leakage 6,000 x \$8,000 x 30%	x \$8k x 30%	\$14.4M
Net of what existing controls already catch x (1 - 35%)	x 65%	\$9.36M

Net-new leakage prevented

x 85% prevention effectiveness

\$7.96M / yr

RECOVERABLE ANNUAL IMPACT · MID-SIZE MOTOR INSURER

\$8.0M

net-new manipulated-image leakage prevented per year, plus ~\$0.6M in reclaimed investigation cost
- against a CapSeal cost of ~\$0.19M.

CONSERVATIVE	BASE CASE	AGGRESSIVE
\$4.0M	\$8.0M	\$13.0M

Why we lead with dollars, not a ratio: because CapSeal's cost is small next to the leakage it addresses, the return multiple is inherently very large. We report the absolute dollar impact instead, because a headline ROI of that size invites disbelief more than it earns trust. The honest reading: the intervention is cheap, and the problem is expensive.

HOW IT SCALES

The same model across book sizes

ANNUAL MOTOR CLAIMS	SEALABLE	NET-NEW PREVENTED	OPS RECLAIMED	CAPSEAL COST	NET IMPACT
200,000 mid-size	120,000	\$8.0M	\$0.6M	\$0.19M	\$8.4M
500,000 large	300,000	\$19.9M	\$1.5M	\$0.33M	\$21.1M
1,000,000 national	600,000	\$39.8M	\$3.0M	\$0.55M	\$42.3M

The honest boundary: this model addresses manipulated-image fraud - the category capture-time provenance directly prevents. It does not claim staged-accident rings, padded-but-genuine estimates, or claims where the photo is real but the story is not. Those need a deeper intelligence layer. The \$8M is the image-fraud slice alone, which is exactly why it is defensible.

SOURCES

Every input is cited

Verisk State of Insurance Fraud (2026) - 98% of insurers say AI editing tools fuel digital fraud; 36% of consumers (55% of Gen Z) would alter a claim image; 76% say submissions have grown more sophisticated.

Shift Technology (2026) - an estimated 20-30% of claims now include some form of AI-altered media.

Admiral (2026) - fraudulent claims up 71% in 2025, partly attributed to AI-generated images.

Coalition Against Insurance Fraud / NICB - ~10% of P&C claims contain some fraud; ~75% of flagged claims go uninvestigated.

Hesper AI Threat Research (2026) - fraud among uninvestigated flagged claims ~15-20%; average inflation 20-40% of claim value.

SAS (2025) - insurers recover on average \$5.20 per \$1 spent on fraud detection.

Illustrative model built on published industry ranges, not results from a named carrier. Where sources give ranges, midpoints are used and additional haircuts applied. Independent analysis by Syptime; not endorsed by the organisations cited. Figures USD.

Size this on your own book

We will model the impact on your portfolio and scope a pilot that runs beside your current process.

Request a pilot pilots@capseal.ai · Contact sales sales@capseal.ai