

LOSS PREVENTION

AI is set to change nature of fraud

Digital transformation is creating significant efficiencies across supply chains, but it is also changing the nature of fraud as criminal organisations leverage its capabilities. This means all concerned, including insurers, must adapt and keep pace with this change, Samuel Markov, director, ARM Services Argentina/Chile, a risk management specialist with a consolidated LatAm network, told *IUMI Today*.

Markov is speaking on a panel at IUMI this week, on Wednesday 23 at 10.40am, on this very topic. The session, called 'Fraud within the supply chain' will also feature speakers from CarrierCheck and EIMC, a professional consultancy to the marine insurance community.

His position is clear: "Criminal organisations are increasingly using digital identities, manipulated documentation, AI-generated communications and sophisticated social engineering techniques to impersonate legitimate actors and infiltrate logistics networks," he said.

He added that in regions such as Latin America, where fraudsters have historically demonstrated remarkable adaptability, these technologies are accelerating the scale, speed, and sophistication of fraudulent schemes. "As fraud evolves, organisations must move beyond traditional controls and adopt continuous verification, operational intelligence and data-driven monitoring capabilities. Is it simple? No, but absolutely essential," he said.

Loss prevention

In the Wednesday panel, he said his contribution will focus on fraud from the perspective of operational risk management and loss prevention. As a representative of Latin America and a member of IUMI's professional partners programme, he said he will bring practical insights from a region where cargo theft and increasingly sophisticated criminal schemes are daily realities.

"Rather than focus exclusively on insurance outcomes, I will discuss how fraud develops within logistics operations, how criminal organisations exploit weaknesses in controls and processes and how businesses can strengthen verification, monitoring and governance mechanisms to build more resilient supply chains. These experiences

KEY POINTS:

- Nature of fraud is changing
- AI can help insurers fight back
- Risk management based on evidence

can offer valuable lessons for markets facing similar threats."

There is a flip side to the advancement of technology. AI can also help insurers better detect fraud and protect supply chains.

"AI has enormous potential to help identify anomalies, detect suspicious behavioural patterns, analyse large volumes of operational data and surface risks that might otherwise remain hidden," Markov said.



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"And not only insurers, also risks managers and insured. However, technology should not be viewed as a substitute for sound risk management practices.

"The most effective approach for sure combines AI-driven insights with strong operational controls, independent verification processes and experienced human judgment. AI can make organisations more effective,

but resilience still depends on disciplined execution and oversight."

A full risk lifecycle

Founded in 2010, ARM Services provides risk analysis, risk management, loss prevention, supply chain security assessments, operational audits, cargo theft and fraud investigations, intelligence-based monitoring and claims adjustment services throughout Latin America, both with its own offices and strategic partners across the region.

Markov stressed that the company's involvement is across the full risk lifecycle – something that offers a unique perspective. "We participate not only in assessment and preventive activities but also in the investigation and adjustment of losses when incidents occur."

He said that allows the company to identify root causes, capture lessons learned and transform every loss event into actionable intelligence that strengthens future prevention and risk management strategies. "We believe that this continuous learning loop is essential for building more resilient supply chains and improving underwriting decisions."

In terms of the broader agenda at IUMI, he said he expects discussions to focus on supply chain resilience, geopolitical uncertainty, cyber risks, AI and the increasing need for greater transparency across global logistics networks. "While these issues may appear different, they share a common challenge: helping insurers and risk managers make decisions based on current, evidence-based risk conditions rather than relying solely on historical assumptions."

He added that his main personal message is that risk management must become increasingly evidence based.

"In today's environment, assumptions can become outdated very quickly, while risks evolve continuously. Organisations that invest in visibility, verification, quality data and operational discipline will be better positioned to prevent losses, detect fraud and strengthen supply chain resilience.

"Ultimately, better decisions come from better evidence, and that principle is becoming increasingly important for insurers, brokers, cargo owners and logistics operators alike. The theme of this congress is anchoring trust, and in cargo risk, trust now requires evidence." ●