

OpenVoiceNews India

Transparent. Unbiased. Yours.

UP Police Investigate Surge in Aadhaar-Linked Insurance Fraud

August 6, 2025

– Categories: Finance



DOWNLOAD IPFS

A rise in Aadhaar-linked insurance fraud has prompted a full-scale investigation by Uttar Pradesh Police, as several cases involving fake identities and bogus claims come to light. The scams target health, life, and motor insurance sectors, with fraudsters exploiting Aadhaar credentials to manipulate insurance payouts.

According to officials, several gangs have been using forged Aadhaar cards to create false identities and submit claims under government and private insurance schemes. Investigators believe this emerging trend could represent a significant financial threat to the insurance sector, with estimated losses reaching several crores.

The scams typically involve tampering with age details, creating fake death certificates, and using non-existent or deceased individuals to claim benefits. In some cases, fraudulent claims were filed within days of opening new policies, raising red flags for insurers.

Uttar Pradesh Police have sought detailed information from insurance companies, including claim records and executive-level accountability. Authorities are focusing on identifying patterns that suggest coordinated efforts across state lines, including links to similar rackets in Bihar and Jharkhand.

An officer involved in the investigation stated, “We are uncovering large-scale misuse of Aadhaar data to generate false documents and siphon off insurance funds. It is a growing concern and requires stronger coordination between law enforcement and regulatory bodies.”

Industry estimates suggest that insurance fraud accounts for nearly 10 to 15 percent of all payouts in India. The Insurance Information Bureau and other agencies are now working with companies to strengthen fraud detection systems. Meanwhile, the Unique Identification Authority of India (UIDAI) is exploring new verification tools to prevent manipulation of Aadhaar data.

Experts warn that unless stricter controls and authentication protocols are put in place, the misuse of Aadhaar in financial services could increase. The ongoing investigation may result in further arrests and tighter compliance measures across the insurance industry.