

aiSure™

Case Study: Instnt Risk Transfer as a Service – A New Go-to-Market Model

The financial industry is facing increasing fraud threats, with traditional identity fraud losses reaching an estimated **USD 23 billion as of 2023**¹. Notably, new account fraud and account takeover fraud alone accounted for nearly **USD 18 billion** in losses during that same period¹. To combat these threats, financial institutions are eager to deploy the latest AI-based innovations; indeed, AI adoption for compliance and fraud jumped from 42% to 82% between 2024 and 2025².

Despite these advances, AI-driven fraud detection alone does not address a fundamental issue: financial institutions continue to retain the full residual fraud exposure on their balance sheets.

The Challenge: Traditional SaaS and Uncertain ROI

Historically, anti-fraud solutions have been sold under a Software-as-a-Service (SaaS) model, in which vendors that provide detection tools bear no financial responsibility when fraud goes undetected. Consequently, banks must absorb unexpected fraud losses and hold substantial capital reserves to mitigate these risks.

To limit exposure, many institutions respond by significantly restricting customer onboarding. This trade-off is proving costly: **70% of financial institutions** worldwide reported losing prospective clients in the last year due to slow and inefficient onboarding.

The Solution: Risk Transfer as a Service

Instnt’s AI-powered fraud detection platform converts fraud risk from an unpredictable operational exposure into a predictable, stable cost.

With insurance now covering excess losses, banks can reduce the amount of capital they need to keep in self-insurance reserves, typically 11–15% of fraud exposure under Basel III, freeing capital for growth and strategic investments³.

Additionally, the insurance-backed solution increases confidence to improve acceptance rates and accelerate customer acquisition, supported by a fully digital claims process with significantly faster loss recovery.

How The Model Works

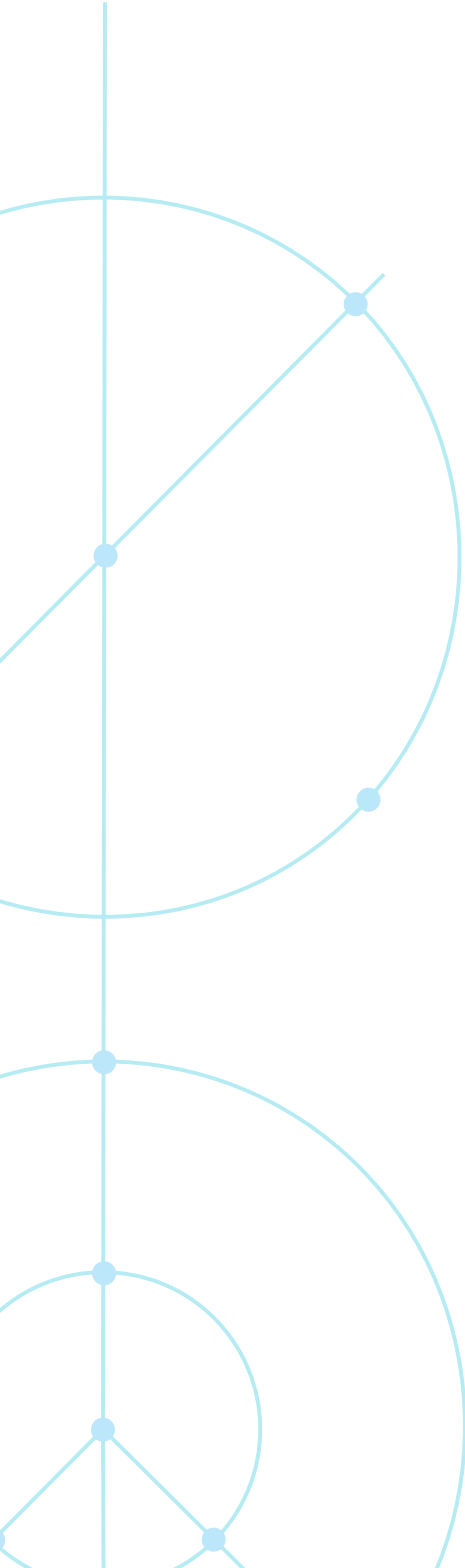
Instnt’s core offering is an AI-driven fraud detection model that analyzes thousands of signals in real time to estimate fraud probability and expected losses. The system detects a broad range of fraud types and provides fully explainable outputs.

These real-time loss estimates enable dynamic underwriting and risk-based pricing. In contrast to the traditional SaaS a la carte software license, Instnt bundles fraud detection, capped fraud loss insurance, and accelerated reimbursement through digital claims into an end-to-end risk management solution.

Key Benefits

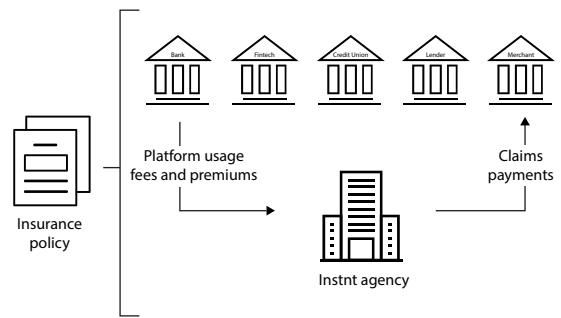
The integrated AI-plus-insurance model delivers several strategic advantages:

1. Reduced capital requirements through effective risk transfer
2. Faster reimbursement – typically within 30 days via streamlined digital claims processing
3. Lower operational costs, by reducing recovery expenses and revenue drag
4. Improved growth and margin stability, as institutions no longer need to constrain onboarding to manage long-tail fraud risk.



How it works

1. Instnt underwrites Identity Fraud Insurance Policy at the corporate level
2. Instnt evaluates real-time loss risk using AI agent deployed to business's onboarding UI
3. Business approves users and Instnt insures good users
4. Fraud Loss Claims submitted through Instnt settled in less than 30 days guaranteed, no denials
5. Business grows with protected P&L, without earnings volatility



³Instnt Insurance Agency, a licensed MGA and wholly owned subsidiary of Instnt Inc, handles all insurance transactions and claims as set forth in this Case Study, and will issue insurance only to those insureds which utilize Instnt’s fraud detection platform.

A New AI Go-to-Market Model

Instnt's approach reflects a broader insight: AI innovation alone does not alter an industry's risk tolerance. By combining AI-driven risk assessment with insurance-backed risk transfer, Instnt elevates fraud prevention from loss prevention to full balance-sheet protection.

Since launching its offering with integrated insurance, Instnt has built a strong customer pipeline, underscoring clear market demand for AI solutions that not only enhance efficiency but also significantly reduce financial volatility. Where legacy software providers continue to shun customer risk, innovators like Instnt exemplify the new AI go-to-market model, working hand-in-hand with banks to identify, quantify, and eliminate it.

References:

Javelin Strategy & Research. (2024). *2024 Identity Fraud Study: Resolving the Specter of Identity Fraud.*

Fenergo. (2025). *Global Financial Institutions Struggle with Rising Client Losses and Compliance Costs as AI Adoption Increases.*

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About Instnt

Instnt is the industry pioneer in Fraud Loss Insurance, combining fraud prevention with financial protection. Founded with the mission of protecting businesses from the financial impact of fraud losses, Instnt is a licensed producer of Fraud Loss Insurance backed by global AA rated insurers. The company serves financial institutions, fintechs, e-commerce platforms, and digital businesses seeking to transfer the cost of fraud losses rather than just detecting them.

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