Building a Fraud-Resistant Workplace

Essential strategies to tackle Workers’ Compensation fraud

Our presentation will begin soon

Today's Presenters:

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Today’s Topics

- Introduction to Fraud in Workers’ Compensation
- Understanding Injured Worker Fraud
- Motivations Behind Fraudulent or Retaliatory Claims
- Risk Factors and Business Practices Magnifying Fraud
- Best Practices and Prevention Strategies
- Building a Fraud-Resistant Workplace: Policies, Training, and Culture
- Closing, Q&A, and Resources

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Why it Matters

Cost Impact of Fraud

Fraudulent activities cause increased costs affecting businesses and employees alike.

Insurance Premium Rise

Fraud drives up insurance premiums, affecting overall financial stability of companies.

Friction to the system

Fraudulent behavior adds waste, delays, and general friction to the system, adversely impacting those truly injured.

Annual Cost of WC Claimant Fraud in the United States?

1. $5 Billion
2. $9 Billion
3. $25 Billion
4. $1 Billion

*2022 Coalition Against Insurance Fraud Task Force Study

Red Flag Indicators of Injured Worker Fraud

- Exaggerated complaints of injury
- Unwitnessed incident
- Conflicting witness statements
- Injury reported post-termination or in retaliation
- Complaints of pain outweigh objective findings/observations
- Rumors injury occurred outside of working hours

Examples of Injured Worker Fraud

- Exaggerated or fabricated injuries
- Concurrent employment while collecting disability
- Falsified accident details
- Injury occurred at home or at a different job
- Claim filed for an old/previous injury
- Misrepresenting a material fact

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Workplace Factors

Unfair Treatment and Hostility

Employees may file fraudulent or retaliatory claims due to perceived unfair treatment or hostile work environments.

Distrust in Management

Distrust in management or injury claim processes can motivate employees to submit false claims.

Poor Communication

Lack of clear communication and unclear reporting mechanisms contribute to fraudulent claims.

Job Insecurity and Fear

Job insecurity and fear of retaliation can drive employees to file false claims.

Risky Business Practices

Lack of Clear Policies

Absence of clear safety policies or inconsistent enforcement increases vulnerability to fraud and misconduct.

Poor Documentation

Inadequate injury documentation hinders transparency and may facilitate fraudulent claims or cover-ups.

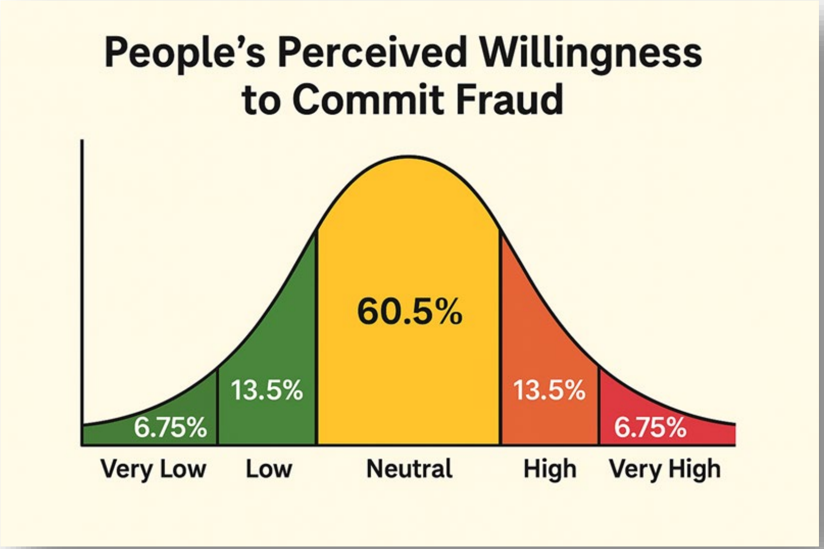
Punitive Reactions

Punitive responses to injury reports discourage honest reporting and increase risk.

Lack of Training and Support

No return-to-work programs and lack of supervisor training contribute to increased fraud risk via poor management.

We Can Influence Many



Actionable Steps to Reduce Fraud

Positive Safety Culture

Fostering a positive safety culture helps prevent fraud through promoting transparency and accountability.

Training Leadership Roles

Train managers and supervisors on the injury-reporting process and how to clearly document a report of injury.

Clear Policies

Establish clear injury reporting and return-to-work policies.

Employee Engagement

Engaging injured employees proactively supports recovery and addresses concerns.

Promoting a Positive Workplace Culture

Build Trust and Communication

Fostering open communication and trust improves teamwork and transparency in the workplace.

Value Employee Well-being

Prioritizing safety and well-being creates a supportive and healthy work environment.

Reduce Fraud Motivations

A positive company culture diminishes reasons for fraud by encouraging ethical behavior.

Maintain Detailed Records

Incident Reports

Incident reports provide detailed accounts that support legitimate claims and ensure accuracy.

Communication Logs

Communication logs track exchanges clearly, providing evidence for dispute resolution and fraud deterrence.

Improved Processes

Access to accurate and timely data allows for improved processes, fewer injuries, and enhanced results.

Clear Policies and Communication

Written Safety Policies

Establish written safety and **injury reporting policies** to ensure workplace safety requirements are met.

Return-to-Work Procedures

Cleary define return-to-work procedures to support employees after injury or illness.

Effective Communication

Clearly communicate policies to all employees to ensure understanding and compliance.

Employee Engagement

Modified Duties

Return-to-work programs provide modified duties tailored for injured employees to support recovery.

Employee Engagement

These programs keep employees engaged and productive during their recovery period.

Check In

Check in with injured workers to make sure they are getting the treatment they need to recover and return to work.

Fraud Reduction

Return-to-work incentives reduce the risk of fraudulent claims by promoting transparency and involvement.

Partnering with ICW Group

Share Suspicious Activity

Sharing intel, leads or suspicious activities with your Claims Examiner or SIU helps detect and prevent fraudulent claims effectively.

Collaborate on Investigations

Collaborating on investigations strengthens fraud detection and the resolution process.

Access Fraud Prevention Resources

ICW Group offers a variety of valuable fraud prevention resources to support risk management efforts.

Visit **Policyholder Perks**
https://www.icwgroup.com/policyholder-perks/

QUESTIONS

Detect, Deter, and Defeat

Brian Biggs and Lindsey McLain

THANK YOU