



WORK COMP FRAUD: SPOT IT, STOP IT

ICW Group Special Investigation Unit

The webinar will begin soon



WORK COMP FRAUD: SPOT IT, STOP IT

ICW Group Special Investigation Unit



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Today's Presenters:

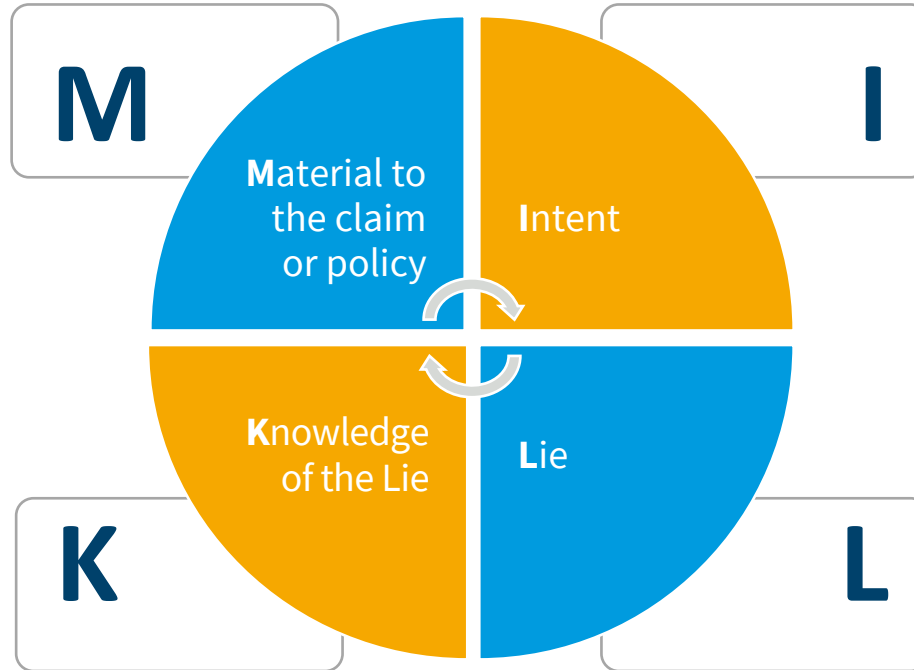
What You'll Learn Today

- Different types of work comp fraud
- Why fraud is big business
- Tips for spotting & stopping workplace fraud
- What to do when you suspect fraud
- How ICW Group partners with you
- Where to access valuable anti-fraud resources



What is **Work Comp Fraud?**

Fraud Defined: "MILK"



3 Types of Work Comp Fraud

1. Claimant Fraud

Occurs when an employee makes a false claim of injury or makes a material misrepresentation.

2. Premium Fraud

Material misrepresentation made to the work comp carrier for the purpose of reducing annual premium or avoiding a premium increase.

3. Provider Fraud

Intentional deception or misrepresentation by an entity or person who provides a service within a claim for the purpose of receiving unearned or excess payments.



Fraud is Big Business

If insurance fraud crooks formed a company called “Fraud, Inc.,” their yearly revenue would rank in the **top 10** among all the Fortune 100 companies!

Top Economic Crimes in America

#1 PLACE

Tax Evasion

#2 PLACE

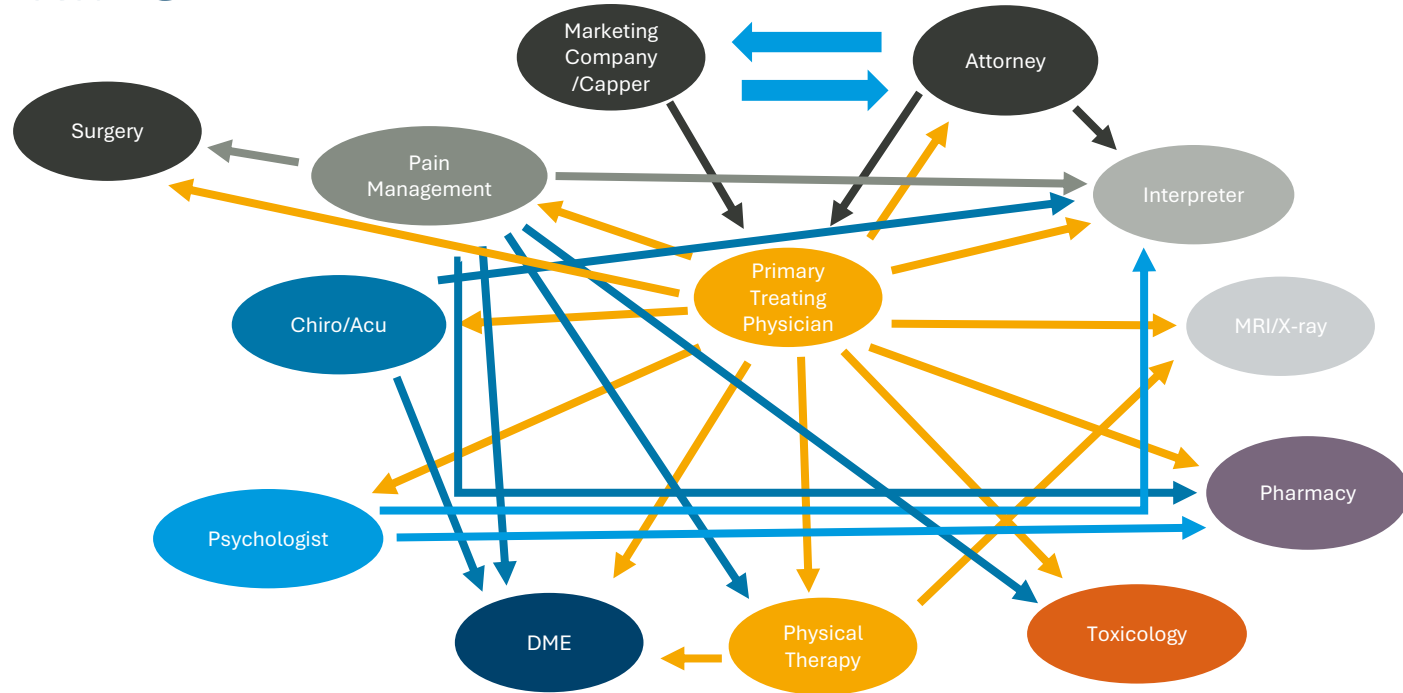
Insurance Fraud

Fraud is Big Business

Why So Big?

- Health system is an easy target
- Low-risk crime
- Low legal priority
- Climate of tolerance
 - Insurance companies are unsympathetic victims
- Insufficient public understanding of the impact
- Unaggressive insurance companies (not us!)

THE RING





How You Can Prevent Fraud

Starts During the Hiring Process

- Hire good people
- Conduct thorough background checks
 - Utilize E-Verify and court records
- [Post hire] – Instill protocols to deter post-termination and false injury claims



Create Strong Safety Culture

- Develop comprehensive safety program
 - Provide custom safety training for every job function
 - Invest in quality safety equipment
 - Engage current employees in safety program enhancements
- Collaborate with your Risk Management consultant



Consider Video Surveillance

- Deters WC fraud from occurring
- Validates legitimate claims
- Shows management cares about all claims
- Benefits to the business beyond WC
 - Inventory control, employee safety, GL claim protection, operational insights, etc.



Develop Employee Awareness Campaign

- Promote “fraud tip hotline” (855.ICW.FRAUD)
- Post anti-fraud signage
- Communicate impact to bottom line, employee raises, new equipment, potential benefits, etc.
- Revisit your anti-fraud message on a recurring basis.

icwGROUP
Insurance Companies

**COMMIT WORKERS' COMP FRAUD,
SHORTEN YOUR COMMUTE.**

DON'T DO IT. DON'T TOLERATE IT. REPORT IT:
855-429-3728 | reportfraud@icwgroup.com

The penalties are serious:*

- Prison terms between 5 to 30 years
- Up to \$150,000 fine or double the value of the FRAUD, whichever is greater.

icwgroup.com

* Criminal penalties dependent on applicable state laws.

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Not all products and coverages are available in all states.



How You Can Spot Potential Fraud

How You Can Spot Fraud

Timing of claim

Claim is made after your employee is terminated, laid-off, or facing imminent dismissal (could be seasonal).



How You Can Spot Fraud

Missing/vague witness details

Injury isn't witnessed, there are conflicting witness statements, or the accident details are vague/contradictory.



How You Can Spot Fraud

Unexpected location

The injury occurs in an area where the employee normally wouldn't be.



How You Can Spot Fraud

Circulating rumors

Fellow colleagues hear rumors circulating that the accident was not legitimate.



How You Can Spot Fraud

Similar recent claims

The claim is similar to those reported by other employees within a short time period.



How You Can Spot Fraud

Relates to pre-existing injury

The alleged injury relates to a pre-existing injury or health problem.



How You Can Spot Fraud

Excessive treatment

Injury treatment seems unnecessary or excessive.



How You Can Spot Fraud

Hear about injury from lawyer

First Notice of Loss is from an attorney representing the employee (jurisdiction matters).





Questioning the Claim – Now What?

Show Sympathy & Respect

- Recognize injury could be completely legitimate.
- Promptly report injury to ICW Group.
 - Note you question the legitimacy *and why*.
- Avoid temptation to pay for medical treatment out of pocket.

Initial Steps

- Have injured employee sign/date loss form (noting fraud language)
- Ask the 5Ws
- Pay attention to “talk on the floor”
- Evidence of absence
- Reach out and stay connected
- Talk to co-workers

Share Proof with ICW Group

- Preserve evidence
 - Smart Phones!
- Notify ICW Group's SIU (**855.ICW.FRAUD**)
- SIU will provide guidance
 - How to deliver proof
 - Key next steps
 - Ways to assist with case



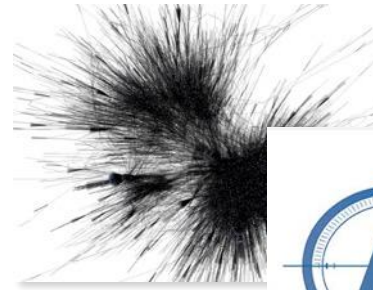
How ICW Group SIU Partners with You

Proprietary Technology

A.I.M.

Analysis & Investigation Module

- Integration, Interpretation, Visualization, Mapping
- 4TB+ of proprietary data
- “Impossible Day” scenarios
- Prior claim analysis/comparison
- Automated business rules



Proactive & Persistent



EVERY claim is automatically reviewed for fraud within 24 hours



When fraud appears likely, SIU refers for **criminal investigation & prosecution**



Assigns **2x** the number of claims for investigation vs industry average



SIU **investigates all suspected fraud** claims regardless if open, closed or settled

Proactive & Persistent



Multi-level Investigations



Partner with
1,000+
Field Investigators



1,000+
Social Media site checks per
questionable claim

Every Investigation Also Includes:

- Strategic collaboration with Claims (and Counsel)
- Hybrid operations
 - Field and Desk
- Intelligence gathering focus
- Major Case support and/or consideration
- Law enforcement referral consideration and subsequent support

Customer Focused

“ Our culture was wrought with fraud until I partnered with ICW Group.”

— Jerry Salveson,
Andrew Lauren Interiors



A man and a woman wearing white hard hats and business suits are standing on a construction site. The man is pointing towards the right, and the woman is holding a tablet. The background is a blurred industrial setting with large rolls of material.

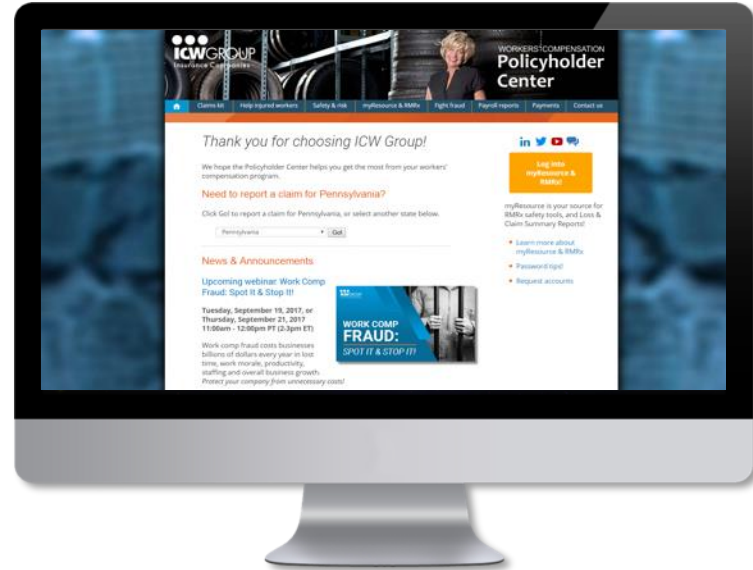
Anti-Fraud Resources You Can Access

ICW Group Website!

icwgroup.com/pc

Resources

- Risk Management
- Claims
- Payroll Reporting
- Injured Worker Resources
- Anti-Fraud Materials



ICW Group Policyholder Website!

icwgroup.com/pc

Anti-Fraud Materials

- Top 10 Red Flags
- Employee Campaign materials
- “False Claims” Ticket
- R.E.P.O.R.T. template
- Prior webinars

The collage features several pieces of content from the ICW Group website:

- TOP 10 RED FLAGS OF WORK COMP FRAUD**: An article with a list of 10 red flags, including "The claim is made after your employee has been laid off" and "The injury occurred in an area where employees wouldn't normally be".
- 10 WAYS YOU CAN PREVENT FRAUDULENT CLAIMS**: A list of prevention strategies such as "Know who you hire" (check resumes, verify references) and "Don't hesitate, educate" (provide training on reporting).
- YOUR FRAUD FIGHTING PARTNER**: A section highlighting ICW Group's expertise in fraud investigation.
- 6 WAYS WE'RE EXTRA TOUGH ON FRAUD!**: An infographic with statistics: "6 WAYS WE'RE EXTRA TOUGH ON FRAUD!", "6 \$60M+ IN WORKERS COMP CLAIM COSTS (2015-2016)", "1,000+ EXPERT FRAUD INVESTIGATORS", "2X CLAIMS INVESTIGATED vs. industry avg", "EVERY CLAIM INVESTIGATED WITHIN 24 HRS", "3M RED FLAGS IDENTIFIED", and "1,000+ SOCIAL MEDIA SITES CHECKED PER INVESTIGATION".
- COMMIT WORKERS' COMP FRAUD, SHORTEN YOUR COMMUTE.**: A video thumbnail with the text "DON'T TOLERATE IT. REPORT IT: reportfraud@icwgroup.com".
- Penalties are serious!**: A text block stating "Penalties are serious! Terms between 5 to 30 years fine or double the value of the FRAUD, whichever is greater."



QUESTIONS?

Contact Us

FraudUnit@icwgroup.com



THANK YOU!

Anti-fraud materials: [icwgroup.com/pc](https://www.icwgroup.com/pc)