



PROFESSIONAL INSURORS
AGENCY, LLC

Fighting Fraud with Special Investigation Units



Fraudulent workers' compensation claims are estimated to cost employers several billion dollars annually. Ranging from employees squeezing a few extra days off work to completely fabricated injuries, fraudulent claims can increase your premium costs and negatively influence your bottom line. To reduce costs associated with fraudulent claims, it is important you know how to detect signs of fraudulent activity. While you may not be an expert at fraud detection, there are resources you can turn to when you have reason to doubt the legitimacy of a claim

SPECIAL INVESTIGATION UNITS

Many insurers have special investigation units (SIU) that are experienced in exposing fraud. Insurers recognize that while the average employer may be able to recognize some signs of a possible fraudulent claim, they may not have the resources or training to successfully investigate the situation. When you suspect the legitimacy of a claim an SIU can investigate, drawing on a wealth of experience and resources to discover and document any fraudulent activity that has occurred.



While large insurers often employ their own in-house SIUs, many smaller insurers use groups like the National Insurance Crime Bureau (NICB), whose purpose is to identify and stop fraudulent insurance activity, as their SIU.

DISCOVERING FRAUD

While SIU are always on the lookout for fraudulent activity, tips from employers are very important and can turn them on to potential cases of fraud that otherwise might have been missed. It is important that you keep an eye out for signs of fraud and alert your insurer's SIU when you find them. The following may be a red flag for fraudulent activity:

- The injury is not promptly reported.
- The injury does not fit with typical duties performed by the employee.
- The employee's account of injury differs from witness accounts.
- There are no witnesses to the injury.
- Medical treatment seems excessive or lengthy for the type of injury.
- Employee regularly misses medical appointments.

DO YOUR PART TO ELIMINATE FRAUD

While SIUs are there to help, not everything can be left up to them. It is important that you take proactive measures to eliminate fraudulent activity before it requires the attention of an SIU.

Strong workplace safety programs make it harder for dishonest employees to fabricate workplace injuries. Also, set strict injury reporting guidelines so you can monitor the claim from the onset. Finally, whether it is discovered by you or an SIU, vigorously prosecute all fraud-related cases. It is important to show that your organization will not tolerate any abuse of the workers' compensation system.