

IWIF fraud investigations recovered \$2.4 million in 2009

IWIF's Special Investigations Unit (SIU) recovered \$2.4 million and referred 40 individuals for prosecution or arrest due to claimant or premium fraud in 2009.

The \$2.4 million includes money recovered from claimant and premium misrepresentation and fraud. IWIF recovered \$2.3 million from premium avoidance fraud and \$167,000 in claimant restitution.

"Staying vigilant and fighting fraud on all fronts helps keep premium costs down for IWIF's policyholders."

Jerry Landsman, IWIF Fraud Director

Additionally, the company saved \$43 million in claim reserves as a result of false or exaggerated claims. A claim reserve is money set aside by an insurance company to pay future costs associated with a claim.

"The hard working professionals at IWIF deserve kudos for their efforts and dedication," says Mr. Landsman. "SIU's success is directly tied to the assistance that we receive from every corner of the company as well as from our policyholders. Our goal for 2010 remains focused: to prevent and detect fraud against IWIF wherever it occurs."

IWIF 
FRAUD
HOTLINE
1-888-268-4372

IWIF & YOU:
FIGHTING
FRAUD
Together

If you suspect workers' comp fraud, report it immediately. Call the IWIF Fraud Hotline or e-mail us a tip at reportfraud@iwif.com

Red Flags of workers' comp claimant fraud

There are numerous red flags that a fraudulent claimant may wave. Taken individually, some may not be reason for suspicion. But any one of them may be reason for a closer look, and none should be ignored. Here are some of those red flags:

- ▶ — Worker exhibits an unusual familiarity with the workers' comp system.
- ▶ — Hires an attorney the day of the claimed injury.
- ▶ — Is disgruntled, on probation, facing layoff or is about to retire.
- ▶ — Is engaged in seasonal work that is about to end.
- ▶ — Has a poor attendance record.
- ▶ — Is new on the job.
- ▶ — Changes doctors when original doctor suggests return to work.
- ▶ — Uses false Social Security number or other false form of identification.
- ▶ — Uses post office box, hotel or motel as home address.
- ▶ — Cannot be reached at given home phone number.
- ▶ — Delays reporting the injury for four weeks or more.
- ▶ — Presents rehabilitation or medical reports that indicate a condition inconsistent with reported injury.
- ▶ — Balks at returning to work; reports little improvement in condition.
- ▶ — Has problems with workplace relationships.

The circumstances surrounding the report of the accident may also offer clues, such as these:

- ▶ — Accident was not witnessed by co-workers or anyone else.
- ▶ — Was rumored to have been staged, to have never happened, or to have happened elsewhere.
- ▶ — Happened on a Friday or shortly after employee's return to work on Monday.
- ▶ — Happened in an area where employee would not normally be working.
- ▶ — Happened at an odd time.
- ▶ — Happened after termination or layoff.
- ▶ — Employee recalls only vague or inconsistent details.

The most effective way to fight fraud is to prevent it. The next best way is to detect it, thereby discouraging repetition. Also, stay in touch with your staff. Employees can be a good source of information about a co-worker collecting workers' comp benefits, especially if they are assuming that co-worker's job duties. By conditioning yourself and your staff to recognize these red flags, you may be building one of the most effective cost-saving initiatives for your organization this year.