



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 Risk Management Services



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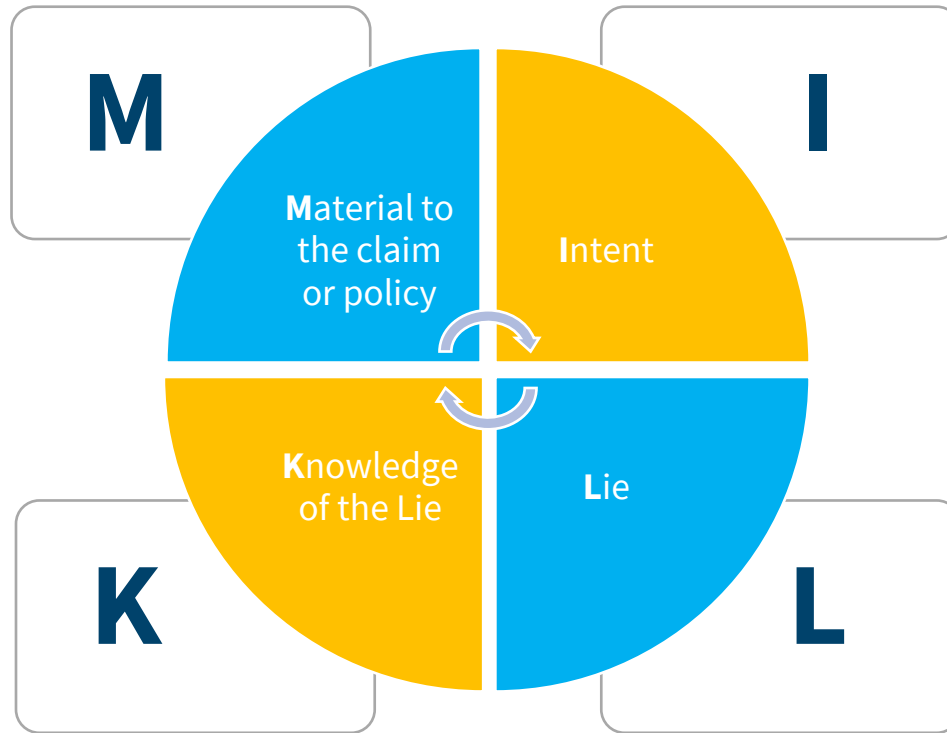
Manager
Special Investigations Unit

What You'll Learn Today:

- Different types 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 500 companies!

Top Economic Crimes in America

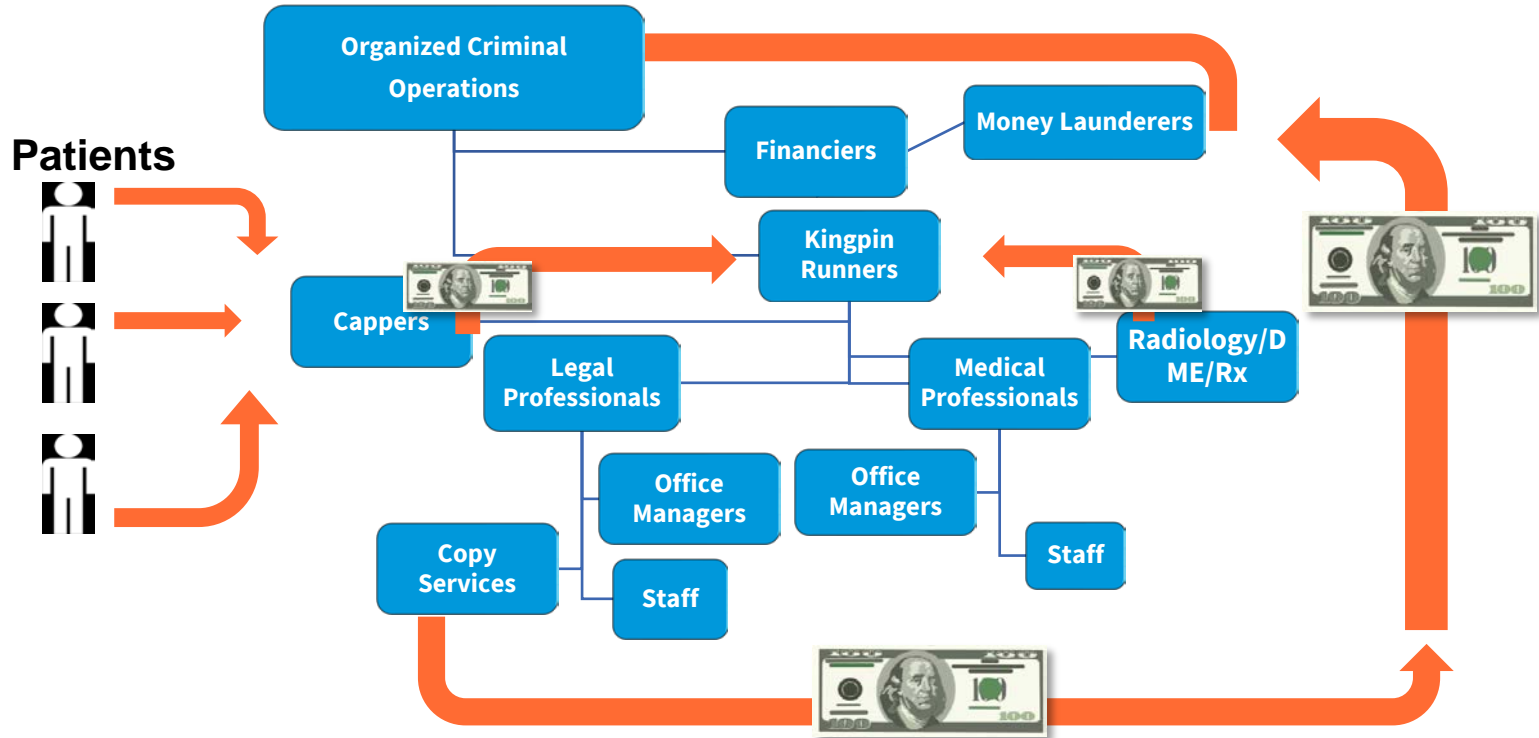
#1 PLACE

Tax Evasion

#2 PLACE

Insurance Fraud

FRAUD IS BIG BUSINESS



FRAUD IS BIG BUSINESS

Fraud is Big Business

WHY SO BIG?

- Health system is an easy target
- Low-risk crime
- Low legal priority
- Climate of tolerance
- Weak public outreach
- Unaggressive insurance companies (not us!)

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 prevent post-termination and false injury claims

HOW YOU CAN PREVENT FRAUD



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 creation
- Collaborate with your Risk Management consultant

HOW YOU CAN PREVENT FRAUD



Consider Video Surveillance

- Deters fraud from occurring
- Validates legitimate claims and reduces false injuries
- Shows management cares about all claims

HOW YOU CAN PREVENT FRAUD



Develop Employee Awareness Campaign

- Promote “fraud tip hotline” (855.ICW.FRAUD)
- Post anti-fraud signage
- Communicate impact to bottom line, employee raises and benefits
- Provide updated fraud notice yearly



HOW YOU CAN PREVENT FRAUD



How You Can Spot Potential Fraud



#1 TIMING OF CLAIM

Claim is made after your employee is terminated, laid-off, or facing imminent dismissal.



#2 MISSING/VAGUE WITNESS DETAILS

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



#3 UNEXPECTED LOCATION

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



#4 CIRCULATING RUMORS

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



#5 SIMILAR TORECENT CLAIMS

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



#6 RELATES TO PRE-EXISTING INJURY

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



#7 EXCESSIVE TREATMENT

Injury treatment seems
unnecessary or excessive.



#8 HEAR ABOUT INJURY FROM LAWYER

First Notice of Loss is from an attorney
representing the employee.

You Suspect Fraud– Now What?

Show Sympathy & Respect

- Recognize injury could be completely legitimate
- Promptly report injury to ICW Group
- Avoid temptation to pay for medical treatment out of pocket

WHEN YOU SUSPECT FRAUD

Initiate Your Investigation

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

Share Proof with ICW Group

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

WHEN YOU SUSPECT FRAUD

How ICW Group SIU Partners with You

Proprietary Technology

A.I.M.

Analysis & Investigation Module

- Integration, Interpretation, Visualization, Mapping
- 4TB+ of proprietary data



HOW ICW GROUP SIU PARTNERS WITH YOU

Proactive & Persistent



EVERY claim is automatically reviewed for fraud within 24 hours



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

6X

Assigns **6x** 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



200+
Social Media site checks per
questionable claim

PROACTIVE & PERSISTANT

Every Investigation Also Includes:

- Educated observation
- Hybrid operations
- Intelligence focus
- Major case operations



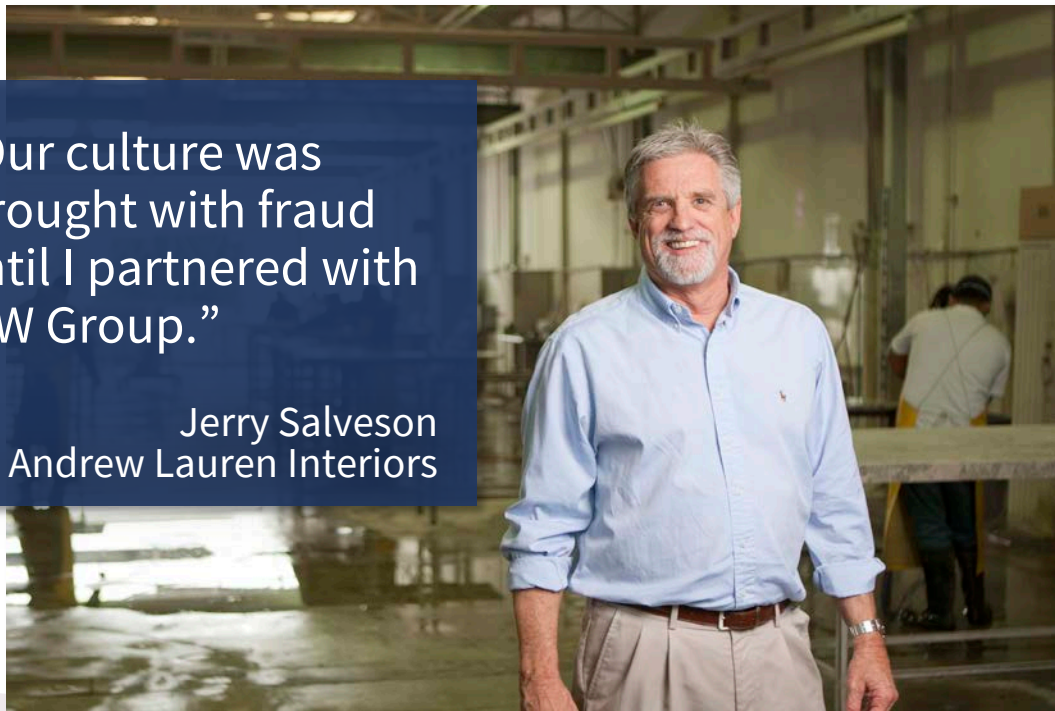
PROACTIVE & PERSISTANT

Customer Focused

”

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

Jerry Salveson
Andrew Lauren Interiors



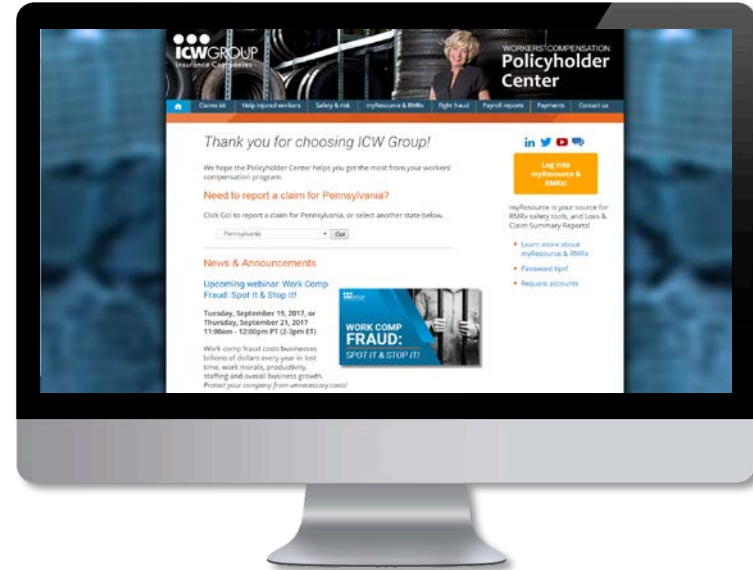
Anti-Fraud Resources You Can Access

ICW Group Policyholder Website!

icwgroup.com/**pc**

Resources

- Risk Management
- Claims
- Payroll Reporting
- HR *OnDemand*®
- Injured Worker Resources
- Anti-Fraud Materials



HR OnDemand–Free With Your Policy

Visit **HR Advice** tab on Policyholder Center

- If not registered, it's easy!
 - Click on **Sign up for HR OnDemand**
- 1000s of HR resources
- Access to a team of HR advisors
- Up-to-date regulatory information by state

Employee handbook and forms templates, handouts, checklists, and more!



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Insurance Companies

HR OnDemand®
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As the middle of an HR emergency? Need help staying up-to-date on compliance issues? Looking for a trusted, professional advisor to handle sensitive situations?

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Get the answers you need with HR OnDemand. HR OnDemand provides you with knowledge, compliance tools and HR experts.

UNLIMITED USAGE INCLUDED FREE WITH YOUR WORK COMP POLICY!

SAVE TIME:

- Get advice you need when you need it – call, email or go online!
- No time to research? Get HR OnDemand to do it for you.
- Easily build and keep your handbook compliant with new laws.

REDUCE COSTS:

- Save on HR consultant fees – HR OnDemand is free!
- Access thousands of professional forms, documents and tools.
- Attend free webinars – with HR OnDemand, you'll be up to date on the latest HR news.

MAXIMIZE RESULTS:

- Recruit, manage, train and retain the best employees.
- Help reduce employee turnover and legal risks.
- Further optimize your most important asset – your people.

Sign up at icwgroup.com/HROnDemand

ICW Group has partnered with **Flexipoint**, a leading HR services provider.

Insurance Company of the West | Employee Insurance Company | ICW Northbrook Company
www.icwgroup.com | 800.475.1100

ICW Group Policyholder Website!

icwgroup.com/**pc**
Anti-Fraud Materials

- Top 10 Red Flags
- Employee Campaign
- “False Claims” Ticket





QUESTIONS?

Contact Us:

ICWFraud@icwgroup.com



THANK YOU!

Anti-fraud materials: icwgroup.com/pc