

The National Insurance Crime Bureau reports that **Workers' Compensation fraud** costs the insurance industry roughly \$5 billion dollars each year. Fraud had been estimated to account for as much as 10% of the cost of claims in this line.

Workers' Compensation fraud is typically associated with malingering employees who fake injuries in order to collect compensation and some paid vacation time. In tougher economic times, we feel that there is an increased exposure for employees to claim a work related injury, for a variety of "manufactured reasons". Some examples are when the injury occurred on personal time, the employee either no longer has personal medical/health insurance or they cannot afford their plans deductible.

While it is true that employee claim abuse is the most common type of Workers' Compensation fraud, insurers are concerned that the continued weak economy is encouraging the steady growth of other types of scams:

Premium fraud and medical provider's fraud.

As an employer, you have the ability to ensure that you are reporting the correct "compensation" for your employees. You also are in a position to carefully scrutinize the medical service being provided for your employees if they should be injured. As an agency, we are keeping the vigil up on the Workers' Compensation claims submitted and will solicit your help if we find any situation which develops some questions.

We want to insure that an injured employee does receive their rightful claims settlement which helps us keep the costs of insurance down for the employer.