

Fraud Prevention

Third Coast Underwriters (3CU) works closely with employers, insurance agencies, our Investigative Services Unit, the National Insurance Crime Bureau (NICB), ISO and outside investigative agencies to deter, prevent, investigate and, in specific cases, pursue convictions of those who commit workers' compensation fraud. While actual fraud in the workers' compensation industry involves a relatively small percentage of claims, the expense to employers can have devastating impacts to an employer's experience modifiers and insurance rates. 3CU is dedicated to assisting our clients in aggressively rooting out fraud for our mutual benefit.

3CU recognizes that the well being of your employees is a primary concern. Workers' compensation insurance provides for medical care and lost wages for workers who legitimately deserve this protection.

Here is some basic awareness and prevention information regarding fraud in the workers' compensation industry, so you will be aware of the warning signs and understand how to report suspicious situations to 3CU for investigation.

What is fraud?

Fraud is deliberate deception of a material fact(s) to secure unlawful gain.

What are the types of workers' compensation fraud?

The following scenarios are just a few examples of fraudulent activity that could take place in regard to workers' compensation:

WORKERS' COMPENSATION FRAUD CAN BE:

- Reporting an off-the-job injury as an on-the-job accident.
- Reporting an accident that never happened.
- Complaints of accident injury symptoms that are exaggerated or non-existent to obtain increased or continued benefits.
- Malingering — to avoid work when injury is healed.
- Not reporting outside income from other work-related activities while drawing workers' compensation benefits from another employer.
- Making false or fraudulent statements for the purpose of obtaining workers' compensation benefits.
- Physicians billing for services not rendered.
- Employers' falsely reporting payroll figures to reduce premiums.

Unusual circumstances, questionable events or a difference between your records and your memory do not necessarily mean fraud has been committed. Misunderstandings, lack of awareness or errors can often be cleared up. The professionals at Third Coast Underwriters will work with you to investigate potential fraudulent situations and to determine if there is cause to be concerned about fraud. When a fraudulent situation does arise, Third Coast Underwriters is committed and vigilant in the pursuit of fraud.

What is my role, as a supervisor, in fraud prevention and detection?

As a business owner, supervisor or manager, you have an important role in recognizing and preventing fraud. When hiring, your procedures may help protect your company from potential problems. Maintaining strong policies and practices in prompt reporting and accident investigation protocols may provide the most important information for the investigation. Beyond that, you can rest assured that 3CU claims, investigation and legal staff will pursue actual fraud cases with great determination.

What are some of the warning signs for potential fraud when an employee reports an injury?

Fraud can happen at any stage of the claim process. Statistically, some situations have a higher incidence rate of fraud. Some of these situations include:

- Late reported claims, (especially those filed after a layoff).
- Claims reported first thing in the morning (especially Mondays or days just prior to or after holiday weekends).
- Claims in which the story details surrounding the injury change over time.
- A medical bill that reflects services not provided.
- An injured employee rumored to be working at another job.
- A traumatic injury sustained in a highly populated work area with no witnesses.

How can I help stop fraud at my workplace?

- Let employees know that workers' compensation fraud will not be tolerated and will be prosecuted. This message will be welcomed by all honest employees.
- Post Third Coast Underwriters fraud posters in your workplace.
- Always report all claims immediately. You can report a claim 24 hours a day:
 - Click on "File A Claim" in the Policyholder Link on our website at 3CU.com
 - Email: ReportAClaim@3CU.com
 - Toll Free Phone Number: 1-866-641-23CU (1-866-641-2328)
 - Fax Number: 1-866-323-1034
- Employ Best Practices in the hiring process.
- Maintain Best Practices in human resource management.
- If you suspect fraudulent activity, or have information regarding a fraudulent claim, notify your designated claim examiner or call toll-free 1-800-944-FRAUD to report the activity. All calls are confidential and can be made anonymously if you prefer.

To order fraud posters for your workplace, call 1-866-641-23CU.