



The Costly Facts about Workers' Compensation Fraud

The CompWest Difference

CompWest customers are assigned a dedicated loss control consultant to identify and address loss trends while serving as a safety resource.

Workers' compensation fraud can be very costly for all involved – including the offender. Work comp fraud cases are considered felonies and are handled in criminal courts by county district attorneys.

What is fraud?

- Making or presenting a knowingly false statement in support or opposition to a workers' compensation claim, with the intent to defraud.
- Assisting, abetting soliciting or conspiring with another in the commission of the above.

Felony fraud occurs in the following scenarios:

Employee

- An employee knowingly files a claim for an injury that did not occur at all, or for an injury that did not occur on the job or in relation to the job.
- An employee received total temporary disability benefits as a result of lying about outside employment, re-employment or his/her ability to work.

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Medical

- A medical or legal provider bills for services that were never provided.
- A medical or legal provider regularly bills for more time than was actually spent seeing a client or for more services than actually provided.
- Kickbacks are given to employees as an inducement or reward for the referral or settlement of workers' compensation claims.

Employer

- Employer under-reports the total payroll.
- Employer misclassifies employees to gain a lower premium rate.
- Employer fails to report claims (ex-mod evasion).

Report suspected fraud

- California Department of Insurance Fraud Hotline: 800 927-HELP 4357 or Fraud@insurance.ca.gov
- We Tip Fraud Hotline 800 87-Fraud (873-7283)

If you have questions or need assistance, contact your CompWest claims or loss control consultant. For more helpful safety tips and information, visit CompWestInsurance.com.

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