

EMC Insurance Companies
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partnership against
insurance crime

Step 3: Report Fraudulent Workers' Compensation Claims

Once you believe you have detected workers' compensation fraud, you must report the incident. Taking the following steps will ensure that the claim is dealt with quickly and appropriately.

- Contact your local EMC branch office claims department or EMC's special investigative unit (SIU) as promptly as possible
- Inform them of all possible evidence of workers' compensation fraud
- Provide names, addresses and phone numbers of witnesses or anyone else familiar with the suspicious activity
- Only discuss your suspicions with EMC branch office claims staff or the SIU staff
- Refer any inquiries on the matter to the branch office claims representative or to the SIU representative

Financial Strength And Stability

EMC Insurance Companies is built on nearly 100 years of serving policyholders like you. Today, EMC has grown to become one of the largest property and casualty companies with more than 2,100 employees and assets of nearly \$3 billion. Nationally, EMC ranks among the top 60 insurance organizations. We have the expertise to protect your business with the coverage you need and the responsive service you deserve.

National Coverage

Headquartered in Des Moines, Iowa, EMC Insurance Companies provides insurance coverage and services through its 16 branch offices and five service offices across the country.

Count on EMC

Count on EMC represents the core values upon which EMC built its reputation. Since 1911, policyholders have come to *Count on EMC* for comprehensive protection, superior service and financial stability.



 **EMC** Insurance Companies.

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You can *Count on EMC* to do our part in the fight against insurance crime.



Insurance crime costs the insurance industry — and consequently its policyholders — billions of dollars a year. When you add the cost of insurance crime to the existing high costs of medical treatment and litigation, it is easy to see why workers' compensation insurance is so costly and why fraud prevention is so important.

You can rely on EMC to use our experience and knowledge to detect fraudulent claims. Our claims personnel are trained to check all claims for signs of fraud during the claims process. But we need your help to uncover the facts so we can determine whether or not a fraud investigation is necessary.

Partnership Against Insurance Crime

Your participation in the fight against insurance crime is imperative. Through our Partnership Against Insurance Crime program, we leverage the resources of policyholders, agents and EMC personnel to deal head-on with the issues relating to insurance crime.

Stopping Insurance Crime Is Everyone's Responsibility

EMC's special investigative unit provides support, training and education for our policyholders, including our Partnership Against Insurance Crime program. Located within our home office in Des Moines, Iowa, but with resources throughout the country, the unit enhances EMC's antifraud strategy in the areas of detection, deterrence, investigation and prosecution. EMC is committed to uncovering fraudulent claim activity, resulting in faster insurance fraud detection and ultimately slowing the rise of insurance costs.

EMC Insurance Companies Claim Philosophy

A true measure of an insurance company is how appropriately it responds to your needs at the time of a loss. Through our network of strategically-located branch offices, we are always close by and ready to help when a claim arises.

You can *Count on EMC* to:

- Investigate every claim
- Explain what is covered and what is not covered
- Pay the claims we owe as quickly as possible

An insurance claim has a financial and personal impact. That is why our primary goal is handling your claim as fairly and quickly as possible, regardless of the type or size.

We will pay legitimate workers' compensation claims quickly, fairly and appropriately, and we will decline those claims that are not legitimate. To protect your profitability, we pay what we owe — no more, no less.

Join Us In Fighting Insurance Fraud

This brochure provides concrete actions you can take to protect your company against workers' compensation insurance fraud. Join in the fight against insurance crime by following these three steps:

1. Prescreen potential employees
2. Watch for warning signs
3. Report potential fraudulent incidents

Step 1: Prescreen Potential Employees

The key factor in eliminating workers' compensation fraud is to prevent the fraudulent act from occurring in the first place by prescreening potential employees. No single warning sign is necessarily suspicious. Even the presence of several warning signs does not mean a potential or current employee is likely to be involved in a fraudulent workers' compensation claim. However, be aware of the following pre-employment warning signs or red flags that you should recognize about the applicant:

Applicant Warning Signs

- Substantial material misrepresentation on the employment application
- Bad references
- Positive drug test results
- Criminal record
- Unverified Social Security number
- Nomadic with a history of short-term employment
- Financial difficulties

Step 2: Watch For Warning Signs

Detecting fraudulent claims is very difficult; however, if you are aware of the indicators of potential fraud, you may be able to detect fraud early. While the following indicators are not proof of fraud, they are warning signs to watch for.

Employee Warning Signs

- Consistently uncooperative
- Disgruntled, soon-to-rotate or facing imminent firing or layoff
- New to the job
- Recently purchased private disability policies
- Very familiar with workers' compensation law and the claim handling process

- Took unexplained or excessive time off prior to the claim injury
- Made notification of injury after employment was terminated
- Takes more time off than the claimed injury seems to warrant
- Changes physicians when a release for work has been issued
- Refuses visits or rehabilitation at home or requests plenty of warning time prior to the visit
- Described in the rehabilitation report as being physically fit
- Totally disabled but is working elsewhere (indicated by surveillance or tip)
- Refuses a diagnosis procedure to confirm an injury
- Disputes the average weekly wage due to additional income
- Demands quick settlement decisions
- Complains to the company's CEO or executive management at the home office to press for payment
- Comes to the office for the delivery of benefit checks
- Protests returning to work and never improves

Accident Warning Signs

- Occurs at an odd hour
- Occurs late Friday afternoon or shortly after the employee reports to work on Monday
- Occurs just prior to an anticipated strike, layoff, termination, retirement or end of probationary period
- Not witnessed
- Occurs in an area employee would not normally be in
- Not the type of accident the employee should be involved in
- Details are vague and contradictory
- Description set forth in medical history contrasts the employer's first report of a claim
- Not promptly reported by the employee to the supervisor