

Questionable Workers' Compensation Claims are on the Rise

Researchers analyzed past workers' compensation claims that were considered questionable by referrals, and the reports were submitted over the span of about six months. Although the total number of workers' compensation claims submitted had dropped, the number of claims considered questionable had risen. Questionable claims are ones that experts at insurance companies refer to the National Insurance Crime Bureau for review. When the reports are submitted for review, they are closely analyzed for indications of fraud. In some cases, one report may have several red flags that put it in the questionable category.

The state with the highest number of questionable workers' compensation claims was California, which had more than 2,250. Illinois followed with almost 700, and New York was close behind with nearly 690. In 2011, there were more than 3.3 million workers' compensation claims in a major database. The number decreased to about 3.2 million within the span of one year, and it decreased again in 2013. There were about 3,475 questionable workers' compensation claims reported to the NICB in 2011, and that number increased to more than 4,450 in 2012. This means that claims increased by more than 25 percent. During the first half of 2013, there were about 2,325 questionable claims submitted.

When it came to further describing questionable workers' compensation claims, there were several reasons experts said they referred them. The main reasons were claimant fraud, prior injuries not related to work and malingering. There were more than 6,100 claimant fraud cases, more than 2,300 non-work-related prior injury cases and more than 1,375 malingering cases. Non-work-related injuries pertain to people who claim injuries during days off or recreational days but do not report the incident until they return to work. When they return, they claim the injury happened while they were on the clock. Malingering occurs when a claimant sustained a legitimate injury but kept pretending to experience symptoms in order to collect benefits much longer than necessary after recovering.

Insurance fraud is a growing issue for both consumers and insurers. Many companies are taking steps to prevent it from happening and are also working on ways to improve identification of signs of fraud. If fraud can be prevented before claims are paid, this helps keep premiums more affordable for consumers. When consumers suspect or know of someone committing insurance fraud, it is important to report it. To learn more about this issue or how to report fraud, discuss concerns with an agent.



THE MCINTYRE GROUP
INSURANCE BROKERS & CONSULTANTS

Woodland Falls Corporate Park

220 Lake Drive East, Suite 210, Cherry Hill, NJ 08002

(P) 856-482-9900 • (F) 856-482-1888 • Email: lfunari@mcintyre-group.com



Luanne Funari
Vice President,

Director of Claims Management