

Workers Compensation Fraud - It Comes In Many Different Forms

Workers' compensation fraud can come in many different forms. Workers' compensation fraud is any lie or misrepresentation made by an employer, employee, or provider to benefit financially. [One to two percent](#) of all workers' compensation payments are fraudulent. Workers' comp insurance fraud can be when an employee lies about their injury or illness, when an employer misclassifies employees to avoid paying for workers' compensation insurance, or when providers exaggerate an employee's symptoms to get more money.

Employees and workers' compensation fraud



Employees can commit workers' compensation fraud in a few different ways. An employee might **invent injuries or illnesses** to get time off and financial benefits from the insurance. Employees might also **exaggerate their illnesses or injuries**. The employees might be suffering from something slight, but it does not prevent them from working. An employee can also commit fraud by **pretending they go hurt on the job when their injury actually came from elsewhere**.

Employers and workers' compensation fraud



Employees aren't the only ones who work the system when it comes to workers' compensation. Employers need to be careful with how they handle workers' compensation insurance. Some employers **lie about the safety of the work environment** in order to get reduced workers compensation premiums. Some employers may also try to reduce premiums by **not counting all employees or by misclassifying employees**. Misclassification can result in high penalties that go beyond workers' compensation fraud fines – employers will also need to pay back taxes. And, they may also need to pay overtime wages to the worker. Lastly, some business owners think they can get away with **not purchasing insurance**. In most cases, employers are required to purchase workers' compensation insurance when they have employees.

Providers and workers' compensation fraud



In some cases, a health care provider can try to abuse the system. A dishonest health care provider might **exaggerate an employee's injury or illness** so they can charge more money to insurance. A dishonest provider might tell an employee they **need more treatments**. Or, they could even **make up an injury or illness**.



To bring more focus on to the employees and workers compensation fraud, we are providing 2 posters that can be used as reference. One is **Top 10 Red Flags of Workers Compensation Fraud**. The second is **Ten Ways You can Prevent Fraudulent Claims**. We have provided a toll-free number that can be used to report potentially fraudulent claims to Watchpoint, which is a service our carrier provides to combat Fraud. As always, please also provide any information for potential fraud to your Insource account manager. Your account manager will work directly with our carrier and Watchpoint to take the appropriate actions on any fraudulent claim.