

ARTICLES

Fraud Alert Tip Sheet

Jan 4, 2018

1. Monday Morning Mess: Watch for alleged injuries that occur first thing on Monday morning. Or ones that happen late on a Friday afternoon but are not reported until Monday.

2. Employment Epiphany: Watch out when the reported accident occurs immediately before or after a job termination, layoff, end of a big contract, or at the conclusion of seasonal work.

3. Suspicious/Same Service-Providers: Watch for medical providers and/or legal consultants with a history of handling suspicious claims, or situations where groups of claimants use the same doctors or lawyers.

4. Where are the Witnesses? Watch out when the accident has no witnesses, and the worker's own description does not logically support the cause of the injury

5. Conflicting Claims: Watch for incidents where the worker's description of the accident conflicts with the medical history or first report of the injury.

6. Relief Refused: Watch out when the claimant refuses a diagnostic procedure to confirm the nature or extent of an injury.

7. Hardly Home: Watch for claimants who are hard to contact at home when they are allegedly disabled.

8. Reluctant Reporting: Watch out when the worker delays reporting the claim or seeks treatment without a reasonable explanation.

9. History from Hell: Watch for claimants with a track record of numerous suspicious or litigated claims - even someone with 'unbelievably' terrible 'luck.'

10. Changes: Watch for claimants with a history of frequently changing physicians, changing addresses, and numerous past employment changes.

Note: Again, refrain from over-zealously investigating a claim simply because it exhibits one particular symptom of fraudulent claims. In most true cases of fraud, more than one indicator is present. Also, one must take care not to violate worker rights.



Staged Auto Accidents

In addition to fraudulent workers' compensation claims, another serious problem is having your vehicles targeted by criminal bands who stage auto accidents in order to collect on insurance payouts. The tactic most commonly used by these criminals is to lure your driver into rear-ending their car, whose occupants then allegedly develop prolonged and debilitating back and soft-tissue injuries. In rear-end accidents, the fault is almost always assigned to the rear vehicle, which presumably should have been alert enough to avoid the collision.

Staged accidents usually are set up in the situations:

- On highway on-ramps
- In slow-moving traffic
- When leaving driveways and parking lots

Instruct drivers to be doubly on-guard in the above situations. They should maintain a safe distance from any car in front of them and should watch out for sudden stops for no reason. Often drivers are purposely distracted in the hope that they will relax their guard and fail to notice the car ahead when it suddenly brakes.

Generally, this involves a third vehicle. Perhaps a car alongside begins to drive erratically—speeding up, slowing down or cutting in front. Drivers need to be made aware that this behavior may be a precursor to being set up for an accident.

Taking Action

When you suspect fraud, you should notify your insurance broker and carrier as soon as possible. The police can be notified but, given the negative consequences of false arrest, you should consider consulting your attorney before levying accusations. Insurance companies differ dramatically in their attitude toward fraud. Some still treat false claims as "the cost of doing business."

Given the expenses faced by the real fraud-fighters, their upfront premiums may not always be the most attractive. Nevertheless, by keeping your claims record as clean as possible, they can actually save you a lot of money over time. Keep this in mind when shopping for your insurance. Also, look for brokers with dedicated claims service departments and transportation-sector experience that can devote time and energy to making sure your suspicions are properly investigated.

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