

Anyone who suspects insurance fraud should report it by calling the DFS Fraud Hotline at 1-800-378-0445 or visit our Web site at [www.MyFloridaCFO.com/Division/Fraud](http://www.MyFloridaCFO.com/Division/Fraud). You could even be eligible for a reward of up to \$25,000.

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# **JOIN THE BATTLE**



## **Against Workers' Compensation Fraud**



## COMPENSATION FRAUD

Workers' compensation insurance is a significant expense for Florida businesses, and fraud pushes the price even higher. Understanding the consequences of workers' compensation fraud and knowing how to report it can help reduce the cost of doing business.

**The two most common schemes are claimant fraud and premium fraud.**

# claimant fraud

## CLAIMANT FRAUD

In claimant fraud, an employee may receive wage replacement benefits under false pretenses. The dishonest claimant may lie about the injury occurring on the job, or the injury itself. In addition, the dishonest worker may overstate the extent and seriousness of the injury or receive money from other sources while lying to the insurance company about such income. Unscrupulous medical practitioners can be paid for excessive or even nonexistent treatments, and attorneys can also be involved in scams.

# premium fraud

## PREMIUM FRAUD

Premium fraud happens when employers try to cheat their insurance carriers by either not paying for workers' compensation coverage at all or by paying less than they should. The main scams involve under-reporting of payroll, misclassification of workers, using an improper loss experience factor, paying workers in cash while identifying them as subcontractors, or not having coverage at all.

Workers' compensation fraud is a drain on Florida's economy. It causes insurance companies to go insolvent, puts legitimate employers out of business and increases health care and insurance costs for all Floridians.

Workers' compensation fraud is a serious offense. A person can be charged with a first-degree felony, depending on the amount of money stolen.

