

Nonsubscribers Reduce or Eliminate Fraudulent and Questionable Claims

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Contrary to some reports, fraud is still rampant in the workers' compensation system. Former subscribers might remember this scenario: An employee reports a lower back injury on Monday. Investigation shows that while off of work collecting indemnity benefits, the employee was seen working at another job lifting heavy boxes. The employee even told another employee the injury was faked. Yet, when the workers' compensation carrier is notified of these findings, the carrier does nothing for fear of a bad faith claim against itself. The employee ends up having surgery on a back that was never injured, collects indemnity and disability benefits while the carrier does nothing at all. As a function of a properly drafted employee benefit plan, a responsible nonsubscriber can take action on disputed or questionable claims. As part of the plan, nonsubscribers may also implement arbitration or mediation agreements where independent experts make decisions unlike in workers' compensation where a state agency generally has the final say as to legitimacy or compensability.