

JOIN THE BATTLE AGAINST WORKERS' COMPENSATION FRAUD

The Division of Insurance Fraud, guided by our values, serves and safeguards the public and businesses operating in the State of Florida against acts of insurance fraud.

Fraud is one reason workers' compensation costs continue to increase. If we can stop fraud, we can help stabilize costs and the entire system will benefit. You can help by understanding the serious consequences of fraud within the workers' compensation system and by knowing how to report it.

The two most common types of workers' compensation fraud schemes are claimant fraud and premium 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

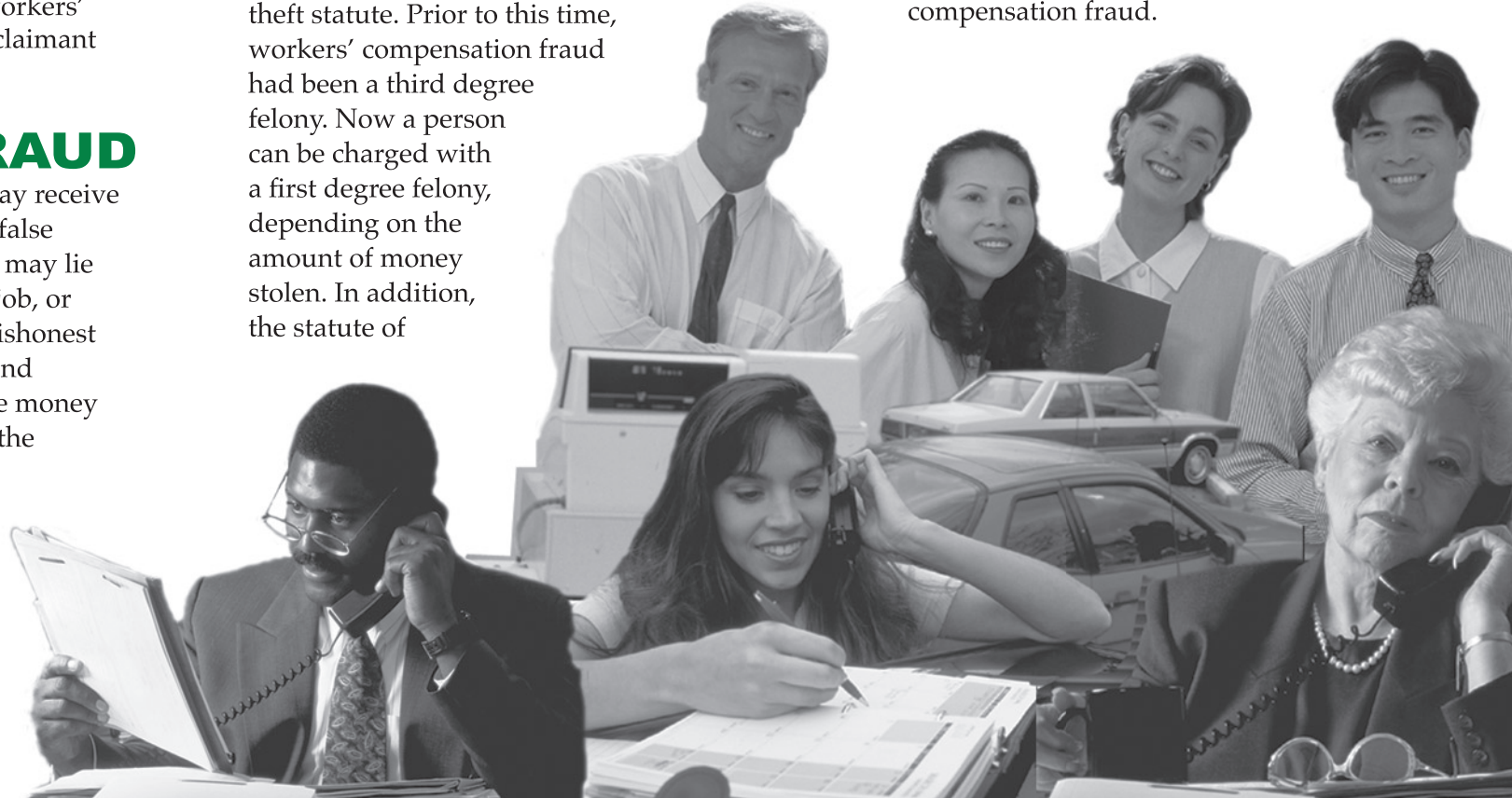
Premium fraud occurs when employers use a variety of schemes to defraud their workers' compensation carriers by either not paying for workers' compensation coverage at all, or by paying less than they should. The primary scams involve under-reporting of payroll, misclassification of workers, utilizing 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 serious offense. In 1998, the Florida Legislature enhanced the penalties for workers' compensation fraud to mirror the Florida theft statute. Prior to this time, workers' compensation fraud had been a third degree felony. Now a person can be charged with a first degree felony, depending on the amount of money stolen. In addition, the statute of

limitations was increased from three to five years after the discovery of the crime.

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

It is incumbent on all Floridians who suspect insurance fraud to report such activities to the Florida Department of Financial Services, Division of Insurance Fraud. For the purpose of convenience, a toll-free hotline is available for reporting fraud, particularly workers' compensation fraud.



JOIN THE BATTLE AGAINST WORKERS' COMPENSATION FRAUD : www.fldfs.com/fraud

The hotline number is 1-800-378-0445.
Insurance fraud may also be reported to any
of the field office locations listed below.

Tallahassee

200 E. Gaines St.
32399-0234
850-413-3115
SUNCOM: 293-3115
Fax: 850-414-5687

Fort Myers

Suite 178
2295 Victoria Ave.
33901
239-461-4002
SUNCOM: 748-4002
Fax: 239-338-2326

Jacksonville

Suite 105
1965 Beachway Road
32207
904-348-2604
SUNCOM: 870-2604
Fax: 904-348-2744

Miami

Suite N-321
401 N.W. 2nd Ave.
33128
305-536-0302
SUNCOM: 452-0302
Fax: 305-377-5305

Orlando

Suite, S-823
Hurston Building
400 W. Robinson St.
32801
407-835-4402
SUNCOM: 344-4402
Fax: 407-317-7217

Pensacola

315-A S. Palafox St.
32501
850-595-6394
SUNCOM: 695-6394
Fax: 850-595-6399

Plantation

Suite 309
499 N.W.70 Ave.
33317
954-321-2902
SUNCOM: 423-2902
Fax: 954-327-6042

St. Petersburg

Suite 100
9800 Fourth St. North
St. Lucie Building
33702
727-563-1142
SUNCOM: 517-4626
Fax: 727-217-7605

Tampa

Suite 205
5340 W. Kennedy Blvd.
33609
813-890-1902
SUNCOM: 514-4902
Fax: 813-871-7850

West Palm Beach

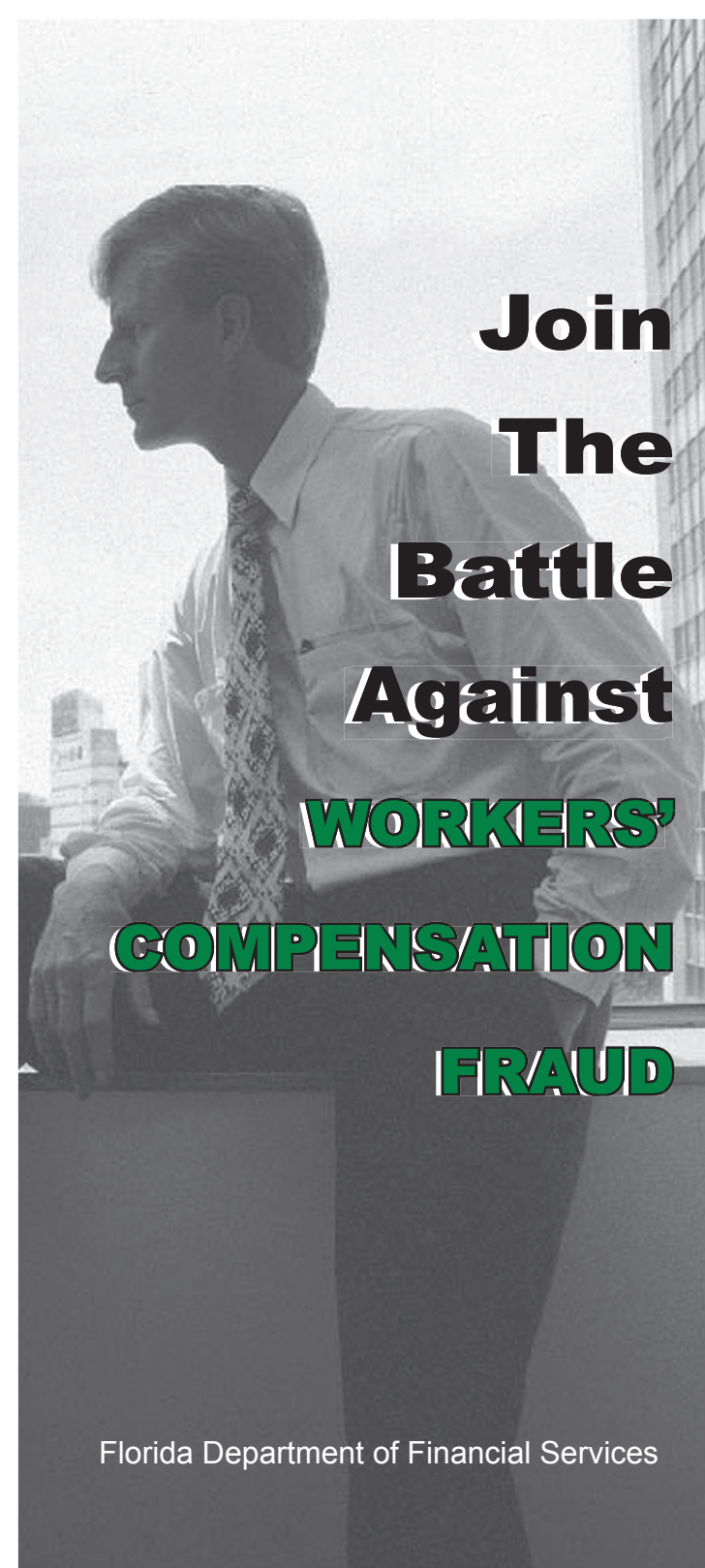
Suite 721
1655 Palm Beach Lakes Blvd.
33401
561-242-5442
SUNCOM: 256-5442
Fax: 561-681-2596

WWW.FLDFS.COM/FRAUD



Tom Gallagher
Chief Financial Officer

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Florida Department of Financial Services