



Presented November 7, 2017 to the
Interagency Advisory Council on Loss Prevention

Division of Risk Management Anti-Fraud Program



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THINK TRUTH. THINK COVENTBRIDGE

A little perspective

- ▶ Things are not always what they appear to be...
 - GMA video link: <https://www.youtube.com/watch?v=Lfy3jXgOH0g>

National Fraud Statistics

▶ National Statistics

- + Fraud comprises about 10 percent of property-casualty insurance losses and loss adjustment expenses each year; and
- + Property-casualty fraud thus equals about \$32 billion each year ([Insurance Information Institute, March 2015](#)) and about \$80 billion a year across all lines of insurance. (*Coalition Against Insurance Fraud estimate*).

▶ State anti-fraud efforts

- + 43 states and the District of Columbia require insurers to report suspected fraud to the state fraud unit or some other law enforcement or regulatory agency. ([Coalition Against Insurance Fraud, October 2015](#))

▶ US Bureau of Labor Statistics

- + Indicates that workers absent for more than 6 months because of work-related injury have approximately a 50% probability of returning to work, and those absent for more than 1 year have a 25% probability of return. **Employees absent for more than 2 years have virtually no chance of returning to work.**

State of Florida Efforts

What is Risk Management Doing?

- ▶ Anti-Fraud Plan submitted to DFS
- ▶ Annual and New-Hire Anti-Fraud training for all adjusting staff
- ▶ Provider Contract - field adjusting services, surveillance, regular claims file reviews, SIU evaluation and documented referrals
- + Jimmy Mock & Jim Roggen - recently recognized for their work with Risk Management, by the Florida Workers' Compensation Task Force



- + Savings (documented by the Division)

State of Florida Efforts



Is it Working?

SIU/Anti-Fraud Program Highlights - Division of Risk Management			
Fiscal 2012/13	Actual Savings	\$ 2,053,000.00	
	Restitution Awarded	\$ 30,040.00	
	Projected Savings	\$ 12,000,000.00	*Due to settled claims and a claimant's death after arrest
Fiscal 2013/14	Actual Savings	\$ 7,462,268.84	
	Restitution Awarded	\$ 123,995.00	
	Projected Savings	\$ 420,312.24	
Fiscal 2014/15	Actual Savings	\$ 1,907,970.72	
	Restitution Awarded	\$ 2,840.00	
	Projected Savings	\$ 980,000.00	
Fiscal 2015/16	Actual Savings	\$ 8,392,244.74	
	Restitution Awarded	\$ 193,803.93	
	Projected Savings	\$ -	* Still holding on savings from 2 settled cases
Fiscal 2016/17	Actual Savings	\$ 3,823,500.00	
	Restitution Awarded	\$ -	restitution from 2 open criminal cases.
	Projected Savings	\$ -	
	TOTAL ACTUAL SAVINGS	\$ 23,638,984.30	
	TOTAL RESTITUTION	\$ 350,678.93	

State of Florida Efforts

What you can do:

- ▶ Provide some sort of employment for the injured worker.
 - ❖ Light duty, filing, paperwork. Anything that will keep them in the habit of going to work.
- ▶ Provide information to the adjuster regarding the injured worker:
 - ❖ Claimant's work schedule (and location) if still working
 - ❖ Physical address of their residence or type of vehicle the claimant typically drives
 - ❖ Known activities of the worker and his/her family
 - Kids involvement in sports
 - Worker or spouse involved in sports, church activities, hunting, etc.
 - ❖ Rumors regarding activities and/or prior injuries
 - Worker went to Disney the week prior to the injury
 - Pre-scheduled vacation planned prior to injury- worker going camping

What you should not do:

- ▶ Troll the worker's social media pages.
 - ❖ They can see when you are viewing their page, if you are not a "friend." CoventBridge can do so covertly.
- ▶ Talk to anyone other than the adjuster about surveillance or other investigative activities.
 - ❖ Remember the "telephone game?"