

**FACT**  
**#8**

## **Worker fraud is a myth – insurer fraud is a reality.**

- For years, the “fraudulent workers’ compensation claim” has been the battle cry of the insurance industry. Now, the facts are out, and they show that while worker fraud is minimal, insurer fraud is massive in scope.
- The NYS Insurance Department reports that a typical workers’ compensation insurer found 320 cases of worker fraud in 31,000 claims – *a rate of one-tenth of one percent*.
- Meanwhile, the NYS Attorney General settled claims against insurance giant AIG for **\$1.6 billion** and Zurich Insurance for **\$143 million** related to fraud. In the AIG case, **\$344 million** was earmarked to reimburse state workers’ compensation funds that the insurer defrauded.
- Today, NY workers’ compensation insurers are still allowed to “self-report” their data to the Compensation Insurance Rating Board – *which they control*. The State Insurance Department is powerless to verify their “data” when setting rates. What is needed is complete transparency in the rate-setting process to reduce this type of insurer fraud.

**NEW YORK MUST ADDRESS INSURER FRAUD – NOT CUT WORKER BENEFITS.**

FOR MORE INFORMATION CONTACT

The New York Committee For Occupational Safety And Health (NYCOSH) At 212-227-6440 or [WWW.NYCOSH.ORG](http://WWW.NYCOSH.ORG)