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# Surveillance Success. Get the Edge...Communicate and Plan

By Steve Cassell

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**W**ith the insurance markets tightening and premiums at an all time high, the claims industry is making many necessary changes to remain competitive. This includes an aggressive stand on insurance fraud. Fraud costs the insurance community an estimated \$100 billion a year. Risk managers, self-insureds, carriers, TPAs, SIU departments, and underwriters are aggressively reviewing their fraud initiatives



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in an effort to stop this hemorrhaging.

Surveillance has long been recognized as a cost-saving tool to help substantiate the legitimacy of questionable claims. With the use of surveillance on the rise, it is more important than ever for the claims professional to employ this tool in the most effective manner possible. That means, first and foremost, identifying the right claim for surveillance. Second, clearly outlining the investigative objectives and goals to the surveillance provider prior to initiating surveillance. And finally, using the surveillance results in the most beneficial manner to mitigate the claims exposure.

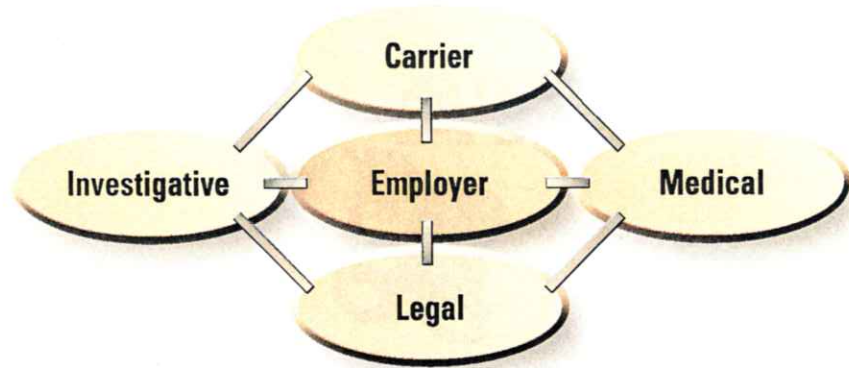
## PRE-PLANNING IS KEY

"A pre-surveillance plan of action is the most important first step toward achieving a successful surveillance," states John Layne of the St. Paul Insurance Fraud Management Unit. "The plan of action must be a coordinated effort between everyone in the claims partnership and include all the pertinent background of the claimant to assist the surveillance investigator in accomplishing his job. Planning, planning, planning is the key."

This direct communication involving the investigative company, the claims handler, the employer, attorney, and medical/nursing personnel, allows for an unprecedented exchange of information. Building from this strong foundation increases the likelihood of obtaining positive surveillance results fivefold.

A good plan of action should include the following points, while remaining flexible enough to best respond to the specifics of the individual claim.

The most critical juncture of the pre-surveillance...the information exchange that includes the hierarchy of the claims process.



When these parties effectively communicate prior to initiating surveillance, a myriad of benefits is achieved.

## ASSIGNMENT DETAILS

- Goal of Investigation
- Completion Time Frame
- Number of Surveillance Days
- Days and Times of Surveillance
- Update Procedures & Protocols

## CLAIMANT IDENTIFIERS

- Accurate Address
- DOB
- SSN
- Family Information
- Phone Number

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#### CLAIM SPECIFICS:

- Date of loss
- Injury
- Restrictions
- Physical Description
- Insured
- Details of the Injury
- Job Duty
- Status of Representation
- Claim Handler Gut Feelings & Insights
- Employer Tips & Insights

#### What is Good Surveillance?

- Ethical and unbiased documentation of a claimant's activities
- Results in faster claims resolution
- Reduction of claim benefits
- Better medical rating
- Validation of the claim
- Establishes bench-mark credibility
- Results in fraud arrests

The scheduling of surveillance must be an integral part of the plan of action. This aspect of the pre-surveillance is often not given enough attention. Having the ability to effectively profile the claimant will greatly increase the likelihood of a successful surveillance. In addition, the authorized budget will be leveraged, resulting in a higher return of investment. Some scheduling considerations include:

#### SCHEDULING CONSIDERATIONS

- Weekdays
- Weekends
- Holidays
- Evenings
- Weather Considerations
- Socio-Economics
- Geographics

#### COMMUNICATION PARTICIPATION

Once the surveillance provider has the complete claims picture, surveillance strategies are tailored to this specific information.

Jim Reel, Regional Risk Manager with Bridgestone/Firestone comments, "We demand communication throughout the surveillance and investigative processes. However, pre-surveillance discussions are probably the most beneficial to surveillance success. It is absolutely worth taking the time to discuss strategies, including specifics such as claimant medical restrictions and past job duties."

Reel continues, "We are careful not to micro-manage the surveillance. Our goal is provide information to empower the investigator, not tell him how to do his job."

In closing, Reel states, "Fraud is too pervasive; we all must take an active role."

Surveillance is still considered by some to be an endeavor that requires more luck than skill. The fact is, the investigator's job is to eliminate as much "luck" as possible and achieve consistent surveillance results based on sound pre-surveillance planning and ethical investigative methods, strategies and procedures. ■

