



Report on Insurer Workers' Compensation Fraud Detection, Investigation and Referral

Report on Calendar Year 2016 Data



Prepared by the California Department of Insurance, Enforcement Branch

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The Purpose of this Report

On December 12, 2017, the California State Auditor (CSA) issued an audit report concerning California public agencies' processes for preventing, detecting, and prosecuting fraud occurring in the State's workers' compensation insurance (workers' compensation) system. This audit was conducted at the request of the Joint Legislative Audit Committee. The audit report concluded the State needed to strengthen its efforts to reduce workers' compensation fraud. The Department of Industrial Relations (Industrial Relations) estimates that workers' compensation cost the State's employers—who pay for the system by either purchasing insurance policies or self-insuring—\$25.1 billion in 2015. Furthermore, the California Department of Insurance (CDI) states that the amount of workers' compensation fraud in the State ranges from an estimated \$1 billion to \$3 billion annually. Public agencies involved in preventing, detecting, and prosecuting workers' compensation fraud include the California Department of Insurance (CDI), Industrial Relations, and county district attorneys' offices.

CSA made several recommendations for the State's processes for detecting workers' compensation fraud. One recommendation made by CSA was to address its concern related to referrals rates by insurers. CSA noted that although state law requires insurers to refer to CDI and district attorneys' offices any claims that show reasonable belief of fraud, some insurers are significantly less likely than others to report suspected fraud. To address this concern, CSA made the following recommendation to CDI:

“To reduce insurers' potential underreporting of workers' compensation fraud, CDI should do the following by June 30, 2018:

- Create a public report that ranks workers' compensation insurers based on the effectiveness of their antifraud efforts, including the rate at which they submit fraud referrals.”

This report has been prepared to implement this audit recommendation.

Workers' Compensation Insurance Fraud Program

In California, workers' compensation insurance is a no-fault system. Injured employees need not prove an injury was someone else's fault in order to receive workers' compensation benefits for an on-the-job injury. In addition to medical expenses being covered for injured employees, some injured workers are entitled to recover a portion of lost wages resulting from injury.

Workers' compensation insurance fraud occurs in simple and complex schemes that often require difficult and lengthy investigations. Employees may exaggerate or even fabricate injuries. At the other end of the spectrum, white-collar criminals, including doctors and lawyers, entice, pay, and conspire with others to defraud the system by creating false or exaggerated claims, over treating, and over prescribing harmful and addictive drugs. Insurance companies "pick up the tab," passing the cost onto policyholders, taxpayers, and the general public.

The Workers' Compensation Fraud Program was established in 1991. The legislature made workers' compensation fraud a felony, required insurers to report suspected fraud, and established a mechanism for funding enforcement and prosecution activities. The legislation established the Fraud Assessment

Commission to determine the level of assessments to fund workers' compensation insurance fraud investigations and prosecutions.

Funding for the program comes from California employers who are legally required to be insured or self-insured. The total aggregate assessment for fiscal year 2015-16 was \$58,862,000. During fiscal year 2015-16, the Fraud Division received 5,380 Suspected Fraudulent Claims (SFCs); assigned 502 new cases, made 249 arrests and referred 167 cases to prosecuting authorities. Potential loss amounted to \$193,354,616.

Special Investigative Unit Compliance Review Program

California licensed insurers are required by California Insurance Code Sections 1875.20-24 and California Code of Regulations, Title 10, Sections 2698.30 -.43 to establish and maintain Special Investigative Units (SIU) that identify and refer suspected insurance fraud to the California Department of Insurance (CDI) (and the California County District Attorney's (DA) for workers' compensation referrals only). The regulations also require each insurer to submit an SIU Annual Compliance Report to CDI which provides important information regarding the insurer's SIU anti-fraud operations, procedures, and training material.

One of the support units within CDI's Fraud Division is the Special Investigative Unit Compliance Review Program. Its primary responsibility is to evaluate regulatory and statutory compliance regarding the establishment, maintenance and operation of the insurer's SIU program through compliance field examinations and desk reviews. The SIU Compliance Review Program also distributes, monitors, and evaluates the SIU Annual Compliance Reports, filed by approximately 1,100 insurers each year related to all insurance lines (with certain exceptions), for accuracy, completeness, and timeliness of the report. The reports are used to conduct a risk assessment to help determine which insurers are selected for SIU field examinations. Risk criteria includes, but is not limited to:

- Prior SIU compliance review finding(s), as well as follow up on recommendations and corrective action compliance plans;
- Discrepancies and/or non-compliance issues identified by analyzing the SIU Annual Compliance Report;
- Quantity and/or quality of the Suspected Fraudulent Claim referrals to CDI, known as eFD-1s, FD-1s, or SFCs and referrals to California County District Attorneys' Offices for workers' compensation referrals only;
- Lines of insurance that are relatively risky and susceptible to fraud;
- Nature and/or quantity of complaints received against a particular insurer;
- Market share of the insurer;
- Late or no response to written information demand letters from CDI or other authorized governmental agencies (e.g., district attorneys);
- CDI executive directive.

Workers' Compensation Fraud Report on Fraud Detection, Investigation, and Referral

Section 1- Workers' compensation claims referred to the Insurer's SIU

The table presented below lists data on total insurer workers' compensation claims that resulted in a referral to SIU. This data comes from the 2016 SIU Annual Compliance Reports filed by insurers and is limited only to those insurers who reported more than 500 claims. The statistical information collected includes statistics for both workers' compensation- medical only claims and workers' compensation- indemnity claims and is listed from the highest referral percentage to the lowest referral percentage. These statistics have not been verified and are self-reported by the insurance industry. During the course of an SIU compliance examination, these statistics are verified.

An insurer that has low percentage of referrals to its SIU when compared with claims does not necessarily indicate the insurer is doing a poor job of fighting fraud. Variables such as the types of industries insured, multiple claims being associated with a potentially fraudulent medical provider or other suspect business, and the insurers risk appetite can impact these numbers. However, a low percentage of claims that resulted in SIU referrals could indicate that the insurer may not be referring suspected fraudulent claims to the insurer's SIU.

Company Name	CA ID Number	Number of Subsidiaries	Total Workers' Comp Claims Processed	Workers' Comp SIU Referrals	Percentage to SIU
ALLIANZ GLOBAL RISKS US INSURANCE COMPANY	2264-0	9	1,949	357	18.32%
HARTFORD FIRE INSURANCE COMPANY	0085-1	10	22,431	3,222	14.36%
PACIFIC COMPENSATION INSURANCE COMPANY	4768-8	0	4,632	489	10.56%
PROTECTIVE INSURANCE COMPANY	1689-9	1	564	59	10.46%
AIG PROPERTY CASUALTY COMPANY	1157-7	10	18,694	1,907	10.20%
ALASKA NATIONAL INSURANCE COMPANY	3234-2	0	870	88	10.11%
WESCO INSURANCE COMPANY	4378-6	8	17,431	1,354	7.77%
STATE NATIONAL INSURANCE COMPANY	4291-1	2	1,186	91	7.67%
CONTINENTAL CASUALTY COMPANY	0048-9	8	3,726	263	7.06%
TRAVELERS INDEMNITY COMPANY (THE)	4772-0	26	38,219	2,391	6.26%
STATE COMPENSATION INSURANCE FUND	0449-9	0	56,349	3,152	5.59%
SENTRY INSURANCE A MUTUAL COMPANY	0856-5	7	4,617	253	5.48%
MITSUI SUMITOMO INSURANCE COMPANY OF AMERICA	4714-2	2	1,886	103	5.46%
INSURANCE COMPANY OF THE WEST	2071-9	0	14,753	802	5.44%
EVEREST NATIONAL INSURANCE COMPANY	3138-5	1	4,479	233	5.20%
REPUBLIC UNDERWRITERS INSURANCE	5142-5	0	4,599	173	3.76%

Company Name	CA ID Number	Number of Subsidiaries	Total Workers' Comp Claims Processed	Workers' Comp SIU Referrals	Percentage to SIU
SAFETY NATIONAL CASUALTY CORPORATION	3605-3	1	13,480	490	3.64%
FEDERAL INSURANCE COMPANY	0059-6	18	82,531	2,562	3.10%
SAFECO INSURANCE COMPANY OF AMERICA	1442-3	5	530	16	3.02%
UNITED STATES FIRE INSURANCE COMPANY	4821-5	3	3,256	98	3.01%
REPUBLIC INDEMNITY COMPANY OF AMERICA	2108-9	1	6,625	191	2.88%
ZENITH INSURANCE COMPANY	1389-6	1	14,843	402	2.71%
QBE INSURANCE CORPORATION	4629-2	10	1,792	45	2.51%
STAR INSURANCE COMPANY	3188-0	2	5,386	134	2.49%
CHURCH MUTUAL INSURANCE COMPANY	2867-0	0	1,575	38	2.41%
OLD REPUBLIC GENERAL INSURANCE CORPORATION	1800-2	0	623	15	2.41%
EMPLOYERS COMPENSATION INSURANCE COMPANY	4748-0	2	11,962	269	2.25%
MARKEL INSURANCE COMPANY	3601-2	4	1,284	25	1.95%
ZURICH AMERICAN INSURANCE COMPANY	4581-5	8	24,928	395	1.58%
LIBERTY MUTUAL FIRE INSURANCE COMPANY	0811-0	20	22,703	353	1.55%
STARR INDEMNITY & LIABILITY COMPANY	2377-0	0	1,837	26	1.42%
ATLANTIC SPECIALTY INSURANCE COMPANY	4650-8	2	680	9	1.32%
GREENWICH INSURANCE COMPANY	1312-8	7	6,907	85	1.23%
PREFERRED EMPLOYERS INSURANCE COMPANY	4525-2	0	6,023	70	1.16%
GUIDEONE MUTUAL INSURANCE COMPANY	1481-1	1	702	6	0.85%
GREAT AMERICAN INSURANCE COMPANY	1301-1	11	2,262	18	0.80%
HANOVER INSURANCE COMPANY (THE)	2097-4	7	4,381	33	0.75%
SOMPO AMERICA INSURANCE COMPANY	1898-6	1	2,674	19	0.71%
OLD REPUBLIC INSURANCE COMPANY	1489-4	0	6,821	48	0.70%
TOKIO MARINE AMERICA INSURANCE COMPANY	5830-5	2	961	5	0.52%
SUSSEX INSURANCE COMPANY	5174-8	3	2,392	12	0.50%
STARSTONE NATIONAL INSURANCE COMPANY	1291-4	0	1,738	8	0.46%
ARGONAUT INSURANCE COMPANY	1523-0	4	754	2	0.27%
CARE WEST INSURANCE COMPANY	4371-1	0	1,192	3	0.25%
ARCH INSURANCE COMPANY	3005-6	2	10,145	25	0.25%
BENCHMARK INSURANCE COMPANY	1903-4	0	1,186	2	0.17%
NATIONWIDE MUTUAL INSURANCE COMPANY	1805-1	16	1,452	1	0.07%
BERKLEY INSURANCE COMPANY	3050-2	6	2,478	0	0.00%

Company Name	CA ID Number	Number of Subsidiaries	Total Workers' Comp Claims Processed	Workers' Comp SIU Referrals	Percentage to SIU
COMPWEST INSURANCE COMPANY	4859-5	2	2,132	0	0.00%
STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY	0948-0	3	1,932	0	0.00%
Totals			446,552	20,342	4.56%

Section 2- Workers' compensation claims referred to CDI and the DA

The table presented below lists the percentage of total insurer workers' compensation claims that resulted in fraud referrals to CDI and the applicable California District Attorney's Office. California Insurance Code Section 1877.3(b)(1) requires that workers' compensation suspected fraudulent claims be dual reported to both CDI and the DA. This data comes from the 2016 SIU Annual Compliance Reports filed by insurers and is limited to those insurers who reported more than 500 claims and is listed from the highest percentage to the lowest percentage. The statistical information collected includes statistics for both workers' compensation- medical only claims and workers' compensation- indemnity claims. These statistics have not been verified and are self-reported by the insurance industry. During the course of an SIU compliance examination, these statistics are verified. As part of the review of SIU Annual Compliance Reports, insurers who report a total number of workers' compensation fraud referrals to CDI that do not reconcile with the number of fraud referrals to the DA are contacted by CDI.

Company Name	CA ID Number	Number of Subsidiaries	Total Workers' Comp Claims Processed	Workers' Comp CDI/DA Referrals	Percentage to CDI/DA
ALASKA NATIONAL INSURANCE COMPANY	3234-2	0	870	67	7.70%
AIG PROPERTY CASUALTY COMPANY	1157-7	10	18,694	1,103	5.90%
STATE NATIONAL INSURANCE COMPANY, INC.	4291-1	2	1,186	61	5.14%
REPUBLIC UNDERWRITERS INSURANCE COMPANY	5142-5	0	4,599	148	3.22%
CONTINENTAL CASUALTY COMPANY	0048-9	8	3,726	97	2.60%
OLD REPUBLIC GENERAL INSURANCE CORPORATION	1800-2	0	623	15	2.41%
SENTRY INSURANCE A MUTUAL COMPANY	0856-5	7	4,617	111	2.40%
PACIFIC COMPENSATION INSURANCE COMPANY	4768-8	0	4,632	64	1.38%
EVEREST NATIONAL INSURANCE COMPANY	3138-5	1	4,479	57	1.27%
SAFECO INSURANCE COMPANY OF AMERICA	1442-3	5	530	6	1.13%
WESCO INSURANCE COMPANY	4378-6	8	17,431	132	0.76%
EMPLOYERS COMPENSATION INSURANCE COMPANY	4748-0	2	11,962	89	0.74%

Company Name	CA ID Number	Number of Subsidiaries	Total Workers' Comp Claims Processed	Workers' Comp CDI/DA Referrals	Percentage to CDI/DA
MARKEL INSURANCE COMPANY	3601-2	4	1,284	8	0.62%
ZENITH INSURANCE COMPANY	1389-6	1	14,843	85	0.57%
INSURANCE COMPANY OF THE WEST	2071-9	0	14,753	73	0.49%
REPUBLIC INDEMNITY COMPANY OF AMERICA	2108-9	1	6,625	32	0.48%
STAR INSURANCE COMPANY	3188-0	2	5,386	25	0.46%
LIBERTY MUTUAL FIRE INSURANCE COMPANY	0811-0	20	22,703	99	0.44%
GREAT AMERICAN INSURANCE COMPANY	1301-1	11	2,262	9	0.40%
STARR INDEMNITY & LIABILITY COMPANY	2377-0	0	1,837	7	0.38%
SUSSEX INSURANCE COMPANY	5174-8	3	2,392	9	0.38%
ZURICH AMERICAN INSURANCE COMPANY	4581-5	8	24,928	87	0.35%
SOMPO AMERICA INSURANCE COMPANY	1898-6	1	2,674	8	0.30%
ATLANTIC SPECIALTY INSURANCE COMPANY	4650-8	2	680	2	0.29%
STARSTONE NATIONAL INSURANCE COMPANY	1291-4	0	1,738	5	0.29%
QBE INSURANCE CORPORATION	4629-2	10	1,792	5	0.28%
ARGONAUT INSURANCE COMPANY	1523-0	4	754	2	0.27%
CARE WEST INSURANCE COMPANY	4371-1	0	1,192	3	0.25%
OLD REPUBLIC INSURANCE COMPANY	1489-4	0	6,821	17	0.25%
SAFETY NATIONAL CASUALTY CORPORATION	3605-3	1	13,480	32	0.24%
STATE COMPENSATION INSURANCE FUND	0449-9	0	56,349	127	0.23%
FEDERAL INSURANCE COMPANY	0059-6	18	82,531	178	0.22%
TOKIO MARINE AMERICA INSURANCE COMPANY	5830-5	2	961	2	0.21%
ALLIANZ GLOBAL RISKS US INSURANCE COMPANY	2264-0	9	1,949	4	0.21%
BENCHMARK INSURANCE COMPANY	1903-4	0	1,186	2	0.17%
GREENWICH INSURANCE COMPANY	1312-8	7	6,907	11	0.16%
GUIDEONE MUTUAL INSURANCE COMPANY	1481-1	1	702	1	0.14%
FEDERAL INSURANCE COMPANY	0059-6	18	82,531	178	0.22%
TOKIO MARINE AMERICA INSURANCE COMPANY	5830-5	2	961	2	0.21%
ALLIANZ GLOBAL RISKS US INSURANCE COMPANY	2264-0	9	1,949	4	0.21%
BENCHMARK INSURANCE COMPANY	1903-4	0	1,186	2	0.17%
GREENWICH INSURANCE COMPANY	1312-8	7	6,907	11	0.16%

Company Name	CA ID Number	Number of Subsidiaries	Total Workers' Comp Claims Processed	Workers' Comp CDI/DA Referrals	Percentage to CDI/DA
GUIDEONE MUTUAL INSURANCE COMPANY	1481-1	1	702	1	0.14%
CHURCH MUTUAL INSURANCE COMPANY	2867-0	0	1,575	2	0.13%
ARCH INSURANCE COMPANY	3005-6	2	10,145	10	0.10%
HARTFORD FIRE INSURANCE COMPANY	0085-1	10	22,431	22	0.10%
NATIONWIDE MUTUAL INSURANCE COMPANY	1805-1	16	1,452	1	0.07%
UNITED STATES FIRE INSURANCE COMPANY	4821-5	3	3,256	1	0.03%
HANOVER INSURANCE COMPANY (THE)	2097-4	7	4,381	0	0.00%
BERKLEY INSURANCE COMPANY	3050-2	6	2,478	0	0.00%
COMPWEST INSURANCE COMPANY	4859-5	2	2,132	0	0.00%
STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY	0948-0	3	1,932	0	0.00%
PROTECTIVE INSURANCE COMPANY	1689-9	1	564	0	0.00%
Totals			446,552	3,242	0.73%

Section 3- SIU Investigations Referred to CDI and the DA

The table presented below lists the percentage of total insurer SIU investigations that resulted in fraud referrals to CDI and the applicable California District Attorney's Office. California Insurance Code Section 1877.3(b)(1) requires that workers' compensation suspected fraudulent claims be dual reported to both CDI and the DA. This data comes from the 2016 SIU Annual Compliance Reports filed by insurers and is limited to those insurers who reported more than ten SIU investigations. The statistical information that is collected includes statistics for both workers' compensation- medical only claims and workers' compensation-indemnity claims. These statistics have not been verified and are self-reported by the insurance industry. During the course of an SIU compliance examination, these statistics are verified. As part of the review of SIU Annual Compliance Reports, insurers who report a total number of fraud referrals to CDI that do not reconcile with the number of fraud referrals to the DA are contacted by CDI.

An insurer that has low percentage of referrals to CDI and the DA when compared with SIU investigations does not necessarily indicate the insurer is doing a poor job of investigating suspicious claims referred to its SIU. A high referral rate could indicate the insurer is doing a good job of fighting fraud or it could indicate that an insurer may be referring to CDI prematurely or the insurer does not understand when a referral is required by statute. Variables such as the insurer red flags that trigger a referral, whether automated referrals occur, whether the insurer's SIU is used for non fraud related work and other factors can impact these numbers. However, a low referral percentage could indicate noncompliant investigations are being done or an inadequately staffed SIU.

Company Name/Group Number	CA ID Number	Number of Subsidiaries	Workers' Comp SIU Referrals	Workers' Comp CDI Referrals	Percentage to CDI
OLD REPUBLIC GENERAL INSURANCE CORPORATION	1800-2	0	15	15	100.00%
PREFERRED EMPLOYERS INSURANCE COMPANY	4525-2	0	70	66	94.29%
REPUBLIC UNDERWRITERS INSURANCE COMPANY	5142-5	0	173	148	85.55%
ALASKA NATIONAL INSURANCE COMPANY	3234-2	0	88	67	76.14%
SUSSEX INSURANCE COMPANY	5174-8	3	12	9	75.00%
STATE NATIONAL INSURANCE COMPANY	4291-1	2	91	61	67.03%
AIG PROPERTY CASUALTY COMPANY	1157-7	10	1,907	1,103	57.84%
IMPERIUM INSURANCE COMPANY	2960-3	0	28	16	57.14%
GREAT AMERICAN INSURANCE COMPANY	1301-1	11	18	9	50.00%
SENTRY INSURANCE A MUTUAL COMPANY	0856-5	7	253	111	43.87%
SOMPO AMERICA INSURANCE COMPANY	1898-6	1	19	8	42.11%
ARCH INSURANCE COMPANY; group 1279	3005-6	2	25	10	40.00%
SAFECO INSURANCE COMPANY OF AMERICA	1442-3	5	16	6	37.50%
CONTINENTAL CASUALTY COMPANY	0048-9	8	263	97	36.88%
OLD REPUBLIC INSURANCE COMPANY	1489-4	0	48	17	35.42%
EMPLOYERS COMPENSATION INSURANCE COMPANY	4748-0	2	269	89	33.09%
MARKEL INSURANCE COMPANY	3601-2	4	25	8	32.00%
LIBERTY MUTUAL FIRE INSURANCE COMPANY	0811-0	20	353	99	28.05%
STARR INDEMNITY & LIABILITY COMPANY	2377-0	0	26	7	26.92%
EVEREST NATIONAL INSURANCE COMPANY	3138-5	1	233	57	24.46%
ZURICH AMERICAN INSURANCE COMPANY	4581-5	8	395	87	22.03%
ZENITH INSURANCE COMPANY	1389-6	1	402	85	21.14%
STAR INSURANCE COMPANY	3188-0	2	134	25	18.66%
REPUBLIC INDEMNITY COMPANY OF AMERICA	2108-9	1	191	32	16.75%
MITSUI SUMITOMO INSURANCE COMPANY OF AMERICA	4714-2	2	103	15	14.56%
TRAVELERS INDEMNITY COMPANY (THE)	4772-0	26	2,391	342	14.30%
HDI GLOBAL INSURANCE COMPANY	5139-1	1	15	2	13.33%
PACIFIC COMPENSATION INSURANCE COMPANY	4768-8	0	489	64	13.09%
GREENWICH INSURANCE COMPANY	1312-8	7	85	11	12.94%
QBE INSURANCE CORPORATION	4629-2	10	45	5	11.11%

Company Name/Group Number	CA ID Number	Number of Subsidiaries	Workers' Comp SIU Referrals	Workers' Comp CDI Referrals	Percentage to CDI
WESCO INSURANCE COMPANY	4378-6	8	1,354	132	9.75%
INSURANCE COMPANY OF THE WEST	2071-9	0	802	73	9.10%
FEDERAL INSURANCE COMPANY	0059-6	18	2,562	178	6.95%
SAFETY NATIONAL CASUALTY CORPORATION	3605-3	1	490	32	6.53%
CHURCH MUTUAL INSURANCE COMPANY	2867-0	0	38	2	5.26%
STATE COMPENSATION INSURANCE FUND	0449-9	0	3,152	127	4.03%
ALLIANZ GLOBAL RISKS US INSURANCE COMPANY	2264-0	9	357	4	1.12%
UNITED STATES FIRE INSURANCE COMPANY	4821-5	3	98	1	1.02%
HARTFORD FIRE INSURANCE COMPANY	0085-1	10	3,222	22	0.68%
PROTECTIVE INSURANCE COMPANY	1689-9	1	59	0	0.00%
HANOVER INSURANCE COMPANY (THE)	2097-4	7	33	0	0.00%
DENTISTS INSURANCE COMPANY (THE)	2361-4	0	17	0	0.00%
Totals			20,366	3,242	15.92%

Section 4- Arrests that originated from Insurer's fraud referrals to CDI

This table lists the number of arrests stemming from workers' compensation insurer fraud referrals made to CDI. This table does not include arrests for self-insured entities. The ultimate goal of SFCs is to arrest and convict the perpetrators of insurance fraud, therefore, this particular measurement is one of the more important measurements presented in this report. For purposes of this table, an arrest was credited to an insurer if they were recorded as a victim company in the CDI Fraud Integrated Data Base (FIDB). Due to the varying complexity of worker's compensation cases, one arrest may have one victim company while another arrest may have 20 victim companies. In cases where there were multiple victim companies, each insurer was credited with an arrest. Because of this, the total arrests reported in this table will not reconcile to total annual arrest figures.

An insurer that has a low arrest percentage does not necessarily indicate the insurer is doing a poor job of fighting fraud or is preparing a poor quality referral as the level of information needed to investigate and prosecute a case may vary from county to county. Additionally, due to limited resources, low monetary value referrals that are good quality may not be opened as cases due to higher impact case being assigned investigative resources. In general, quality referrals generally lead to more opened cases, and lead to arrests and convictions. A low percentage could indicate noncompliant SFCs, SFCs being submitted prior to the SIU investigations being done or a misunderstanding of when a referral is required to occur.

Company Name	CA ID Number (Primary)	Number of Subsidiaries	Workers' Comp Arrests in 2016
STATE COMPENSATION INSURANCE FUND	0449-9	0	36
ZENITH INSURANCE COMPANY	1389-6	1	11
FEDERAL INSURANCE COMPANY	0059-6	18	5
REPUBLIC UNDERWRITERS INSURANCE COMPANY	5142-5	0	4
COMPWEST INSURANCE COMPANY	4859-5	2	4
AIG PROPERTY CASUALTY COMPANY	1157-7	10	3
MARKEL INSURANCE COMPANY	3601-2	4	3
INSURANCE COMPANY OF THE WEST	2071-9	0	3
STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY	0948-0	3	3
FARMERS INSURANCE EXCHANGE	0937-3	21	3
SENTRY INSURANCE A MUTUAL COMPANY	0856-5	7	2
REPUBLIC INDEMNITY COMPANY OF AMERICA	2108-9	1	2
ZURICH AMERICAN INSURANCE COMPANY	4581-5	8	2
HARTFORD FIRE INSURANCE COMPANY	0085-1	10	2
CALIFORNIA INSURANCE COMPANY	2366-3	4	2
ALASKA NATIONAL INSURANCE COMPANY	3234-2	0	1
PACIFIC COMPENSATION INSURANCE COMPANY	4768-8	0	1
WESCO INSURANCE COMPANY	4378-6	8	1
GREAT AMERICAN INSURANCE COMPANY	1301-1	11	1
ARGONAUT INSURANCE COMPANY	1523-0	4	1
SPARTA INSURANCE COMPANY	0813-6	3	1
OAK RIVER INSURANCE COMPANY	3730-9	2	1
Total Arrests			92

Section 5- Fraud Referrals compared to Written Premium

The table presented below shows SFCs as a percentage of written insurance premiums. This data comes from the 2016 SIU Annual Compliance Reports filed by insurers and market share information reported to CDI by insurers. This table is limited to the top 50 workers' compensation insurers based on premium.

An insurer that has low percentage of referrals to CDI when compared with written premium does not necessarily indicate the insurer is doing a poor job of fighting fraud. Variables such as the industries insured, multiple claims being associated with a potentially fraudulent medical provider or other suspect business, and the insurers risk appetite can impact these numbers.

Company Name	CA ID Number	Number of Subsidiaries	Total Workers' Comp Premiums (Earned Premium)	Workers' Comp CDI Referrals	Percentage to CDI
AIG PROPERTY CASUALTY COMPANY	1157-7	10	474,348,253	1,103	0.000232530%
SENTRY INSURANCE A MUTUAL COMPANY	0856-5	7	60,730,119	111	0.000182776%
CONTINENTAL CASUALTY COMPANY	0048-9	8	83,284,409	97	0.000116468%
ALASKA NATIONAL INSURANCE COMPANY	3234-2	0	79,303,856	67	0.000084485%
SAFETY NATIONAL CASUALTY CORPORATION	3605-3	1	45,779,740	32	0.000069900%
REPUBLIC UNDERWRITERS INSURANCE COMPANY	5142-5	0	216,208,577	148	0.000068452%
TRAVELERS INDEMNITY COMPANY (THE)	4772-0	26	742,401,996	342	0.000046067%
PACIFIC COMPENSATION INSURANCE COMPANY	4768-8	0	139,993,228	64	0.000045716%
MITSUI SUMITOMO INSURANCE COMPANY OF AMERICA	4714-2	2	37,600,933	15	0.000039893%
PREFERRED EMPLOYERS INSURANCE COMPANY	4525-2	0	167,905,412	66	0.000039308%
LIBERTY MUTUAL FIRE INSURANCE COMPANY	0811-0	20	265,304,967	99	0.000037316%
FEDERAL INSURANCE COMPANY	0059-6	18	634,357,645	178	0.000028060%
SOMPO AMERICA INSURANCE COMPANY	1898-6	1	32,219,574	8	0.000024830%
EMPLOYERS COMPENSATION INSURANCE COMPANY	4748-0	2	395,412,872	89	0.000022508%
ZENITH INSURANCE COMPANY	1389-6	1	464,507,387	85	0.000018299%
GREENWICH INSURANCE COMPANY	1312-8	7	63,611,417	11	0.000017292%
EVEREST NATIONAL INSURANCE COMPANY	3138-5	1	341,538,954	57	0.000016689%
WESCO INSURANCE COMPANY	4378-6	8	917,516,646	132	0.000014387%
REPUBLIC INDEMNITY COMPANY OF AMERICA	2108-9	1	224,693,797	32	0.000014242%
STAR INSURANCE COMPANY	3188-0	2	192,625,825	25	0.000012979%
ZURICH AMERICAN INSURANCE COMPANY	4581-5	8	686,325,504	87	0.000012676%
OLD REPUBLIC GENERAL INSURANCE CORPORATION	1800-2	0	120,586,446	15	0.000012439%
QBE INSURANCE CORPORATION	4629-2	10	41,712,325	5	0.000011987%
ALLIANZ GLOBAL RISKS US INSURANCE COMPANY	2264-0	9	40,237,903	4	0.000009941%
INSURANCE COMPANY OF THE WEST	2071-9	0	773,728,213	73	0.000009435%

Company Name	CA ID Number	Number of Subsidiaries	Total Workers' Comp Premiums (Earned Premium)	Workers' Comp CDI Referrals	Percentage to CDI
MARKEL INSURANCE COMPANY	3601-2	4	92,492,686	8	0.000008649%
GREAT AMERICAN INSURANCE COMPANY	1301-1	11	105,422,725	9	0.000008537%
TOKIO MARINE AMERICA INSURANCE COMPANY	5830-5	2	23,846,895	2	0.000008387%
STATE COMPENSATION INSURANCE FUND	0449-9	0	1,540,665,261	127	0.000008243%
CARE WEST INSURANCE COMPANY	4371-1	0	37,528,203	3	0.000007994%
FALLS LAKE FIRE AND CASUALTY COMPANY	6012-9	0	25,822,401	2	0.000007745%
ATLANTIC SPECIALTY INSURANCE COMPANY	4650-8	2	30,637,010	2	0.000006528%
STARR INDEMNITY & LIABILITY COMPANY	2377-0	0	107,926,509	7	0.000006486%
ARCH INSURANCE COMPANY	3005-6	2	186,754,460	10	0.000005355%
STARSTONE NATIONAL INSURANCE COMPANY	1291-4	0	103,861,688	5	0.000004814%
CHURCH MUTUAL INSURANCE COMPANY	2867-0	0	43,587,423	2	0.000004588%
GUIDEONE MUTUAL INSURANCE COMPANY	1481-1	1	22,858,341	1	0.000004375%
HARTFORD FIRE INSURANCE COMPANY	0085-1	10	644,434,228	22	0.000003414%
NATIONWIDE MUTUAL INSURANCE COMPANY	1805-1	16	30,967,120	1	0.000003229%
UNITED STATES FIRE INSURANCE COMPANY	4821-5	3	32,570,322	1	0.000003070%
BENCHMARK INSURANCE COMPANY	1903-4	0	73,681,046	2	0.000002714%
FARMERS INSURANCE EXCHANGE	0937-3	21	246,094,977		0.000000000%
AMGUARD INSURANCE COMPANY	4670-6	3	189,484,827		0.000000000%
HANOVER INSURANCE COMPANY (THE)	2097-4	7	116,414,797	0	0.000000000%
BERKLEY INSURANCE COMPANY	3050-2	6	103,058,056	0	0.000000000%
COMPWEST INSURANCE COMPANY	4859-5	2	99,373,619	0	0.000000000%
STATE FARM MUTUAL AUTOMOBILE INSURANCE	0948-0	3	78,955,744	0	0.000000000%
NEW YORK MARINE AND GENERAL INSURANCE COMPANY	3076-7	1	64,600,186	0	0.000000000%
PENNSYLVANIA MANUFACTURERS' ASSOCIATION INSURANCE COMPANY	2241-8	2	23,708,835	0	0.000000000%
Totals			11,402,826,713	3,166	0.000027765%