

## Draft Recommendations to the Task Force as approved:

1. Amend Wis. Stats.102.125 to be very clear that application and premium fraud is included. Amend the criminal code, Wis. Stat. Chapter 943 to specifically include premium fraud as part of insurance fraud definition.
2. Amend Wis. Stats.102.125 to create a statutory requirement for insurers and self-insured employers to report workers compensation premium and application fraud to the department of workforce development. Encourage the task force to explore mandatory reporting of all insurance fraud and collaboration with NICB.
3. Create an Insurance Fraud Bureau of Investigations, targeting not only claim fraud but also premium and application fraud, with adequate resources to investigate and prosecute fraud.
4. Request the WCRB to modify its basic manual to revise its definition of remuneration to identify types of cash and noncash payments and make it consistent across various entities.

### **102.125 Fraud reporting, investigation, and prosecution.**

- [102.125\(1\)](#)(1) FRAUDULENT CLAIMS REPORTING AND INVESTIGATION. If an insurer or self-insured employer has evidence that a claim is false or fraudulent in violation of s. [943.395](#) and if the insurer or self-insured employer is satisfied that reporting the claim to the department will not impede its ability to defend the claim, the insurer or self-insured employer shall report the claim to the department. The department may require an insurer or self-insured employer to investigate an allegedly false or fraudulent claim and may provide the insurer or self-insured employer with any records of the department relating to that claim. An insurer or self-insured employer that investigates a claim under this subsection shall report on the results of that investigation to the department.
- (2) ASSISTANCE BY DEPARTMENT OF JUSTICE. The department of workforce development may request the department of justice to assist the department of workforce development in an investigation under sub. (1) or in the investigation of any other suspected fraudulent activity on the part of an employer, employee, insurer, health care provider, or other person related to worker's compensation.
- (3) PROSECUTION. If based on an investigation under sub. (1) or (2) the department has a reasonable basis to believe that a violation of s. [943.20](#), [943.38](#), [943.39](#), [943.392](#), [943.395](#), [943.40](#), or any other criminal law has occurred, the department shall refer the results of the investigation to the department of justice or to the district attorney of the county in which the alleged violation occurred for prosecution.