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ABOUT MEMBERS EVENTS & MEETINGS NEWS

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

Workers' Compensation Fraud Warning Act

Summary

The Workers' Compensation Fraud Warning Act authorizes an insurer or self-insured employer to provide notice to an injured worker on or with a check for temporary disability benefits that it is unlawful to make any knowingly false or fraudulent material statement for the purpose of obtaining worker's compensation. The notice would state that the acceptance of employment with a different employer that requires the performance of activities that the worker has stated that he or she cannot perform because of injury could constitute fraud and result in criminal prosecution.

Model Legislation

Section 1. {Short Title}

The Workers' Compensation Fraud Warning Act

Section 2. {Legislative Declarations}

The state finds and declares that

- A. Workers' compensation fraud is the largest source of fraud within the property/casualty industry accounting for more than one-third of all property/casualty insurance fraud; and
- B. The cost of workers' compensation insurance fraud is passed on to employers in the form of higher premium costs; and
- C. Insurers and self-insured employers should have the right to notify workers' compensation claimants that certain actions following the acceptance of benefits may constitute fraud.

Section 3. {Definitions}

Section 4. {Warning Notice}

An insurer or self-insured employer may provide the following notice to an injured worker on or with a check for temporary disability benefits:

Warning: Acceptance of employment with a different employer that requires the performance of activities you have stated that you cannot perform because of the injury for which you are receiving temporary disability benefits could constitute fraud and could result in criminal prosecution. If convicted, you could lose your rights to workers' compensation benefits and face imprisonment up to {blank} years and fine of up to {blank} or double the amount of the fraud, whichever is greater.

Section 5. {Severability}

Section 6. {Effective Date}

Adopted by the Civil Justice Task Force and approved by the ALEC Board of Directors in 2003.

Did you know that Victor Schwartz--a lawyer who represents companies in product litigation--was the corporate co-chair in 2011?

Center for Media and Democracy's quick analysis:

This bill shifts the worker's comp program towards employer interests. It authorizes an employer or its insurer to "notify" employees claiming worker's comp what activities constitute fraud and would subject them to criminal prosecution. These warnings could be used to intimidate worker's with legitimate claims.

This bill was originally put forth by the ALEC Commerce, Insurance, and Economic Development Task Force in 1999.

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda--underwritten by global corporations--includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board
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