The Employer Standing Act

Summary

The Employer Standing Act gives employers legal standing before the appropriate board or commission to dispose of a workers’ compensation claim fraudulently filed by an employee.

Model Legislation

Section 1. {Short Title} The Employer Standing 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. Employers should have the right to dispose of claims filed by employees convicted of workers’ compensation insurance fraud.

Section 3. {Definitions} “Commission” means the state industrial commission or other board granted the authority to dispose of fraudulent workers’ compensation claims.

Section 4. {Employer Standing} After an employee has been convicted of an offense involving a fraudulent workers’ compensation claim an employer has standing before the commission for the sole purpose of filing and seeking disposal of the claim.

Section 5. {Severability}

Section 6. {Effective Date}