



**ARKANSAS INSURANCE DEPARTMENT
LEGAL DIVISION**

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Directive 1-95

WARNING NOTICE ON WORKERS' COMPENSATION BENEFIT CHECKS

April 26, 1995

One of the major categories of fraud that the Department Workers' Compensation Fraud Investigation Unit is investigating involves claimants earning income from another employer or from self-employment while receiving temporary total disability benefits.

A problem in prosecuting such cases is the claimant professing to have no knowledge of any prohibition against working and earning extra income while simultaneously receiving temporary total disability benefits. This problem is most acute where the income earned is from labor less strenuous than the work at which the claimant was injured; doing similar labor is an obviously intention act by the claimant.

At the present time, there is no warning in regard to working and earning income on any form which an injured employee may sign or have an opportunity to review. Even if a warning was placed on a notice of injury or other form, it would be easy enough to profess that the form wasn't read, but simply signed at the direction of the employer.

Since claimants inevitably sign the reverse side of their benefit checks, a notice at that location will, at the very least, strengthen the ability of the Unit to prove intent and knowledge in regard to claimants working and receiving income while collecting temporary total disability benefits.

Therefore, no later than 60 days from this date, all insurers offering workers' compensation coverage in the State of Arkansas are hereby directed to place the below warning on the reverse of all benefit checks tendered to claimants. The notice may be printed or hand stamped on the checks at the insurer's option.

WARNING

THIS CHECK IS FOR WORKERS' COMPENSATION RELATED BENEFITS. YOU MUST ADVISE BOTH THE EMPLOYER AND [CARRIER] OF ANY OTHER INCOME RECEIVED OR EARNED, INCLUDING FROM SELF-EMPLOYMENT, WHILE RECEIVING THESE BENEFITS. FAILURE TO DO SO MAY RESULT IN CIVIL AND/OR CRIMINAL LIABILITY.

Inquiries concerning the above should be directed to Marty Neural, Director, and Workers' Compensation Fraud Investigation Unit, at (501) 686-2740.

Lee Douglass
INSURANCE COMMISSIONER