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Contractors Take Cover: Inside the Workplace

By: Stephen Franklin

Millions of workers go through a legal dance daily on the job. They are independent contractors, and they - not the company that hires them - are responsible for their liabilities such as insurance coverage. But Chicago attorney **Edward Margolis** thinks a precedent has been set in an Illinois case that may affect such workers not only statewide, but across the nation.

The case involves Kim's Trucking Inc. of Palos Heights and Wausau General Insurance Co. Wausau wanted the firm, which hauls construction materials, to pay workers' compensation premiums for haulers it hired as independent contractors. But the company balked, saying it was not responsible.

The insurance company won its case in Cook County Circuit Court and on the appeals level. An appeal to the Illinois Supreme Court was turned down. In the Appeals Court ruling, the judges said the trucking firm had several options. It could pay the insurance, show that the haulers have their own insurance, or show that they do not want coverage.

What makes this case so important, **Margolis** says, is that the policy the firm used is a standard across the United States. But Robert Diggs, an attorney for the American Trucking Association in suburban Washington disagrees.

"We thought that the lower court got it wrong, and we hope that in future cases the courts get it right," said Diggs. He also says the case may not have national significance, because it hinged on specific Illinois statutes.