

# The Top 6 Things to Know About Workers Compensation Insurance

By [Karen Reed](#) and  
[Krissy Campbell](#)

1. Workers' compensation insurance covers your employees' medical expenses if they are injured on the job.
2. Workers' compensation can reimburse the employee for their lost wages.
3. Workers' compensation can provide disability benefits.
4. Maine law requires you to carry it.
5. Workers' compensation can provide death benefits.
6. And the most important thing about workers compensation coverage? Having a knowledgeable local agent who can help you with managing the costs and your exposures.

When you have questions, Ask Allen. We're here to help.

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**Employee or Independent  
Contractor? It Makes a**

# Difference!

By [Sally Miles](#)

Have you ever thought about the difference between an employee and independent contractor?

The answer can be found through a series of questions created by the [Maine Department of Labor.](#)

Paying someone using a 1099 not does automatically make them an independent contractor.

The facts of the relationship between the business and individual conducting work determine whether you have an employee or independent contractor.

When it comes to insurance, this distinction is important because a business's payroll (the people who are true employees and not independent contractors) will impact both their workers compensation insurance and general liability insurance policies, in terms of both cost and risk exposure.

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**Maine Workers Compensation  
Board Defines 'Independent**

# Contractor'

There are some new rules in Maine around Workers Compensation Insurance and Independent Contractors. The Maine Workers Compensation Board has issued a newsletter with some important information.

Independent contractors are workers who perform services for remuneration under a verbal or written contract, but who are not under the essential control or superintendence of another person, both under the person's contract of service and in fact. The worker must also meet specific criteria.

In order for a person to be an independent contractor they must meet the test in §102(13-A) of the Workers' Compensation Act. An independent contractor is not required to have workers' compensation insurance; however an independent contractor is required to have workers' compensation insurance for any employees hired by the independent contractor.

[Newsletter from Maine Workers Compensation Board](#) – June 2019