

SUPREME COURT OF ILLINOIS

West Bend Mutual Insurance Co. v. TRRS Corp.

2020 IL 124690 (Ill. 2020) · No. 124690 · Decided January 24, 2020

SUMMARY

The Illinois Supreme Court held that the primary jurisdiction doctrine does not authorize a circuit court to stay a pending Illinois Workers' Compensation Commission proceeding. The doctrine permits a court to stay its own proceedings while referring an issue requiring administrative expertise to an agency, but it cannot be used to stay the agency proceeding itself. The court affirmed the appellate court's reversal of the stay order and remanded for consideration of any alternative grounds for a stay.

CASE DETAILS

COURT	Supreme Court of Illinois
WRITING FOR THE COURT	Justice Kilbride; Chief Justice Burke; Justice Thomas; Justice Garman; Justice Karmeier; Justice Theis; Justice Neville
JURISDICTION	Illinois
DECIDED	January 24, 2020
DOCKET	124690
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Interlocutory appeal by petition for leave to appeal from the appellate court's judgment reversing a circuit court order that stayed proceedings before the Illinois Workers' Compensation Commission.
STANDARD OF REVIEW	Although interlocutory stay orders ordinarily are reviewed for abuse of discretion, de novo review applies when the interlocutory appeal presents a question of law, including whether the circuit court had authority under the primary jurisdiction doctrine to stay an administrative proceeding.
PRECEDENTIAL VALUE	Published, precedential opinion of the Supreme Court of Illinois.
PARTIES	West Bend Mutual Insurance Company v. Gary Bernardino, TRRS Corporation, Commercial Tire Services, Inc.

TOPICS

insurance coverage

declaratory judgment

duty to defend

duty to indemnify

interlocutory appeal

PRACTICE AREAS

insurance coverage

administrative law

appellate procedure

civil procedure

remedies

QUESTIONS PRESENTED

1. Whether a circuit court may invoke the primary jurisdiction doctrine to stay a pending proceeding before the Illinois Workers' Compensation Commission.
2. Whether the circuit court's reliance on the primary jurisdiction doctrine presented a question of law subject to de novo review.
3. Whether the cause should be remanded for the circuit court to consider alternative grounds for staying the IWCC proceeding that it had not previously addressed.

HOLDINGS

1. A circuit court cannot rely on the primary jurisdiction doctrine to stay an administrative proceeding in the Illinois Workers' Compensation Commission. The doctrine permits a court to stay its own judicial proceeding to allow an administrative agency to address a matter within the agency's specialized competence; it does not authorize the inverse stay of the administrative proceeding.
2. De novo review applies because the interlocutory appeal presented a legal question concerning the circuit court's authority to invoke the primary jurisdiction doctrine.
3. Remand was warranted so the circuit court could initially consider West Bend's alternative arguments for a stay, including any response from Bernardino.

KEY QUOTATIONS

“Accordingly, we conclude that a circuit court cannot rely on the primary jurisdiction doctrine to stay an administrative proceeding in the IWCC.” (¶ 41)

“Under the primary jurisdiction doctrine, when “a court has jurisdiction over a matter, it should in some instances stay the judicial proceedings pending the referral of a controversy, or some portion of it, to an administrative agency having expertise in the area.” (¶ 34)

“The doctrine operates to facilitate, not delay or otherwise hinder, an administrative agency’s resolution of a technical or specialized issue that requires administrative knowledge or expertise.” (¶ 40)

FACTUAL BACKGROUND

West Bend issued a workers' compensation and liability insurance policy to TRRS Corporation and Commercial Tire Services covering June 20, 2016, through June 20, 2017. Gary Bernardino was injured on April 18, 2017, while working for the insureds, who allegedly failed to timely report the injury and instead paid his lost wages and medical expenses themselves. Bernardino later filed a workers' compensation claim with the Illinois Workers' Compensation Commission, and West Bend filed a declaratory judgment action asserting that late notice and voluntary payments relieved it of duties to defend or indemnify. West Bend then sought and obtained a circuit court order staying the IWCC proceeding.

PROCEDURAL HISTORY

West Bend filed a declaratory judgment action in the McHenry County circuit court concerning its duty to defend and indemnify its insureds in connection with Gary Bernardino's workers' compensation and personal injury claims. The circuit court stayed the pending Illinois Workers' Compensation Commission proceeding under the primary jurisdiction doctrine. The appellate court reversed that order, dismissed a second interlocutory appeal, and remanded. The Illinois Supreme Court allowed West Bend's petition for leave to appeal, affirmed the appellate court's judgment, reversed the circuit court's stay order, and remanded for consideration of alternative grounds for a stay.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remand to the circuit court for further proceedings, including original consideration of West Bend's alternative arguments for a stay of the IWCC proceedings and any response from Bernardino. The court did not determine whether any alternative ground justified a stay.

CASES CITED

- Employers Mutual Cos. v. Skilling, 163 Ill. 2d 284 (1994)
- Hastings Mutual Insurance Co. v. Ultimate Backyard, LLC, 2012 IL App (1st) 101751
- In re Lawrence M., 172 Ill. 2d 523 (1996)
- Sentry Insurance v. Continental Casualty Co., 2017 IL App (1st) 161785
- Certain Underwriters at Lloyd's, London v. Boeing Co., 385 Ill. App. 3d 23 (2008)
- Stanphill v. Ortberg, 2018 IL 122974
- Bradley v. City of Marion, 2015 IL App (5th) 140267
- Segers v. Industrial Comm'n, 191 Ill. 2d 421 (2000)
- Crossroads Ford Truck Sales, Inc. v. Sterling Truck Corp., 2011 IL 111611
- People v. NL Industries, 152 Ill. 2d 82 (1992)
- Kellerman v. MCI Telecommunications Corp., 112 Ill. 2d 428 (1986)
- Village of Itasca v. Village of Lisle, 352 Ill. App. 3d 847 (2004)
- Continental Western Insurance Co. v. Knox County EMS, Inc., 2016 IL App (1st) 143083
- Reiter v. Cooper, 507 U.S. 258 (1993)
- United States v. Western Pacific R.R. Co., 352 U.S. 59 (1956)
- Ricci v. Chicago Mercantile Exchange, 409 U.S. 289 (1973)
- Port of Boston Marine Terminal Ass'n v. Rederiaktiebolaget Transatlantic, 400 U.S. 62 (1970)
- Ardt v. Illinois Department of Professional Regulation, 154 Ill. 2d 138 (1992)
- Warren County Soil & Water Conservation District v. Walters, 2015 IL 117783

