Jack and Henry are employees of their friend Peter's small electric company, ABC Electric (ABC). Peter obtains work for his company by asking large general contractors in the area whether they need any electrical work done on their projects. A well-established general contractor, GK Contractors, Inc. (GK), after being solicited by Peter, said they did need some electrical work done immediately on one of their current projects. Peter was pleased and GK and ABC quickly entered into a contract for ABC to provide its electrical contracting services to GK for the project. Peter then assigned all five of his full-time employees, Jack and Henry included, to work at the GK project site.

One day while Jack and Henry were working together on a scaffold at the GK site installing electrical wiring, they began to talk about sports as they often did. Their discussion turned into a disagreement over whether the coach of their favorite team should be fired. As the disagreement escalated, Jack pushed Henry saying he knew nothing about sports. Unfortunately, Henry stumbled after he was pushed and fell from the 20-foot scaffold breaking his leg. An ambulance took Henry to the hospital from the work site.

Peter learned the details of the accident and visited Henry in the hospital. While there, Henry told Peter he assumed ABC's workers' compensation insurance company would cover the cost of his hospitalization. But, Peter replied: "Sorry, Henry, but I don't have any workers' compensation insurance covering ABC, I never have. Besides you and Jack were arguing about sports; that's got nothing to do with work." Henry now does not know how he will pay for his hospitalization and treatment.

Applying Michigan workers' compensation law, answer the following questions posed by the above facts:

- (1) Xs Peter correct that Henry's injury would not be considered an injury covered by the workers' compensation statute because the discussion and argument leading to the injury related to sports, a non-work related matter? Why or why not?
- (2) Does Henry have any procedural method to obtain workers' compensation benefits within the workers' compensation system, given ABC's lack of workers' compensation insurance? Why or why not?

^{*****}THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II****