

BILL ANALYSIS

H.B. 1762
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Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law authorizes an employer, except for a public employer and as otherwise provided by law, to elect to obtain workers' compensation insurance coverage through a licensed insurance company or through self-insurance. However, interested parties express concern about the law's lack of specificity regarding the application of workers' compensation provisions to temporary employment services and their clients. In an effort to provide clarity on this issue, H.B. 1762 sets out certain provisions governing workers' compensation insurance coverage for temporary employees.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1762 amends the Labor Code to establish that a certificate of insurance coverage showing that a temporary employment service maintains a policy of workers' compensation insurance constitutes proof of workers' compensation insurance coverage for the temporary employment service and the client of the temporary employment service with respect to all employees of the temporary employment service assigned to the client. The bill requires the state or a political subdivision to accept such a certificate of insurance coverage as proof of workers' compensation coverage.

H.B. 1762 establishes that if a temporary employment service elects to obtain workers' compensation insurance, the service and the client of the service are subject to certain provisions of the Texas Workers' Compensation Act relating to an employee's election to waive or retain the right of action to recover damages for personal injuries or death sustained in the course and scope of employment and relating to the specification that recovery of benefits is the exclusive remedy for the death of or a work-related injury sustained by an employee covered by workers' compensation insurance coverage, except for certain circumstances in which exemplary damages may be recovered.

EFFECTIVE DATE

September 1, 2013.