

Amend CSHB 3416 by striking all below the enacting clause and substituting the following:

SECTION 1. Title 6, Civil Practice and Remedies Code, is amended by adding Chapter 127A to read as follows:

CHAPTER 127A. DISCLOSURES REGARDING INDEMNIFICATION OBLIGATIONS AND INSURANCE COVERAGE REGARDING WELL OR MINE SERVICES PROVIDED BY CERTAIN SUBCONTRACTORS

Sec. 127A.001. DEFINITIONS. In this chapter:

(1) "Temporary placement service" means an entity or other person that employs individuals or contracts with another entity or person to refer or assign personnel to the placement service's clients to support or supplement the clients' workforce in a special work situation, including:

- (A) an employee absence;
- (B) a temporary skill shortage;
- (C) a seasonal or cyclical workload;
- (D) work requiring uniquely skilled personnel;

or

- (E) a special assignment or project.

(2) "Temporary subcontractor" means an independent contractor who, in connection with performing well or mine services:

- (A) is referred to or placed by a temporary placement service with the placement service's client; or
- (B) has entered into an agreement with a temporary placement service to provide those services to the placement service's client.

(3) "Well or mine service" has the meaning assigned by Section 127.001.

Sec. 127A.002. DISCLOSURE REGARDING TEMPORARY SUBCONTRACTOR INDEMNIFICATION OBLIGATIONS AND INSURANCE COVERAGE REQUIREMENTS. (a) Before a temporary placement service refers or assigns a temporary subcontractor to the placement service's client to perform well or mine services, the placement service shall provide a written disclosure to the subcontractor that:

(1) describes the subcontractor's indemnification obligations, if any, to the placement service and to the placement

service's client in connection with the services the subcontractor will provide to the client;

(2) describes any insurance policy, including the amount of coverage and any limits on coverage, that is provided for the benefit of the subcontractor by the placement service or the placement service's client, or both, in connection with the services the subcontractor will provide to the client; and

(3) expressly states whether and to what extent any insurance policy described by Subdivision (2) will cover the subcontractor's tort liability and contractual indemnity obligations arising out of the performance of the services by the subcontractor for the placement service's client or clients.

(b) The disclosure required under Subsection (a) may state that the disclosure does not alter, amend, or otherwise modify the terms of any agreement governing services provided by the temporary subcontractor or any insurance policy described by Subsection (a)(2), provided that the temporary placement service is responsible for the content of the disclosure.

(c) A temporary placement service shall:

(1) provide the disclosure required under Subsection (a) to a temporary subcontractor as a separate document from any agreement entered into with the subcontractor by the placement service or the placement service's client; and

(2) ensure that the disclosure is written in plain English and in a manner that is clear, concise, and designed to enable the temporary subcontractor to understand the subcontractor's contractual indemnity obligations, if any, and any insurance policy provided for the benefit of the subcontractor in connection with well or mine services to be performed by the subcontractor.

(d) A temporary placement service may satisfy the requirement to describe an insurance policy under Subsection (a)(2) by providing to the temporary subcontractor a certificate of insurance evidencing applicable coverage and limits.

Sec. 127A.003. DISCLOSURE REQUIREMENTS FOR ONGOING INSURANCE POLICY. A temporary placement service that provides a disclosure to a temporary subcontractor under Section

127A.002 that states that an insurance policy described in that disclosure that is provided for the benefit of the temporary subcontractor remains in effect for a specified time period and with respect to a specified client or clients is not required to provide that subcontractor with an additional disclosure under Section 127A.002 for future services provided by the subcontractor to that client or those clients until:

(1) the insurance policy is no longer in effect; or

(2) the placement service is required to provide the subcontractor a new disclosure because of a change concerning the insurance policy as provided under Section 127A.004.

Sec. 127A.004. NOTICE REQUIRED FOR CERTAIN CHANGES RELATED TO INSURANCE POLICY. A temporary placement service shall provide a temporary subcontractor who is provided a disclosure of a provided insurance policy under Section 127A.002 a separate written notice of a cancellation or nonrenewal of the policy or a material reduction in coverage under the insurance policy not later than the 30th day before the date the cancellation or nonrenewal of the policy or the material reduction in insurance coverage takes effect.

SECTION 2. The change in law made by this Act applies only to an agreement entered into on or after the effective date of this Act.

SECTION 3. This Act takes effect September 1, 2021.