

SUPREME COURT DECISION ON TEMPS

A recent Texas Supreme Court decision affects non-subscribers who hire temporary employees through temporary employment services. In *Jose Garza vs. Exel Logistics*, the Supreme Court ruled that non-subscribing employers do not enjoy the exclusive remedy protection of the Workers' Compensation Act, even when the temporary employment service carries workers' compensation insurance on employees provided to its client companies. Jose Garza, a temporary employee furnished to Exel by Interim Services Pacific, LLC, was injured while working for Exel. He collected workers' comp benefits under a policy purchased by Interim, then sued Exel for negligence. Exel claimed that the workers' comp policy obtained by Interim, insured to its benefit; therefore, Garza's claim was barred by the exclusive remedy provision of the act. The Supreme Court disagreed. If you provide occupational accident and employers' liability coverages to non-subscribers, tell them about this decision and ask whether they use temporary employment services. If so, tell them: (1) their employers' liability coverage will not cover lawsuits brought against them by temporary employees (check the policy to be sure); and (2) they should hire temps only from services that have workers' comp coverage with an alternate employer endorsement naming your policyholder, as evidenced by a certificate of insurance.

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