

## **BILL ANALYSIS**

Senate Research Center  
78R5078 PB-F

S.B. 675  
By: Estes  
Business and Commerce  
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As Filed

### **DIGEST AND PURPOSE**

Current law specifies that workers' compensation benefits are the exclusive remedy of an employee covered by workers' compensation insurance against the employer or an agent or employee of the employer for work-related injuries sustained by an employee. Injured employees must look exclusively to the insurance carrier for compensation for injuries sustained on the job and are prohibited from seeking common law remedies from the employer. Business entities such as parent and subsidiary corporations are currently omitted from law that specifies which entities are covered under an employer's workers' compensation policy. Because of this omission, these entities may find themselves defendants in a common law suit brought by injured employees who work for a business unit the entities either own or control. S.B. 675 prohibits injured employees from seeking common law remedies against a parent corporation, subsidiary corporation, or subsidiary of a parent corporation of an employer that is named insured on an employer's policy of worker's compensation insurance.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 408.001(a), Labor Code, to provide that in addition to the employer, certain additional entities connected to the employer are entities against whom recovery of worker's compensation benefits is the only remedy of an employee covered by workers' compensation insurance, or a legal beneficiary of such an employee, for the death or injury of that employee. Makes conforming changes.

SECTION 2. Effective date: September 1, 2003.  
Makes application of this Act prospective.