

Current Phraseology

New Phraseology

**RULES**

**TEXAS WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE**

**RULE IX - SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE AND PREMIUM**

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**E. EMPLOYEE LEASING ARRANGEMENTS**

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**1. Definitions**

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"Employee Provider Firm" means an entity or any affiliate whose principal business is providing workers, as distinct from providing non-personnel services, to another entity to perform activities in furtherance of the business, trade or profession of the other entity at the business premises of or at locations designated by the other entity.

"Employee Provider Firm" means an entity or any affiliate whose principal business is providing workers, as distinct from providing non-personnel services, to another entity to perform activities in furtherance of the business, trade or profession of the other entity at the business premises of or at locations designated by the other entity. This term includes professional employer organization services.

"Employee Provider Form EP-1" or "Employee Provider Form EP-1A" means the form by that name.

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"Entity" means a natural person or business organization of any kind, whether incorporated or not, including without limitation a firm, partnership, association, joint venture, sole proprietorship, corporation, or fiduciary (e.g., trustee, receiver, executor or administrator).

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An employee provider firm that wishes to secure a workers' compensation insurance policy shall purchase a standard workers' compensation insurance policy and, if requested by an insurance company licensed to write workers' compensation insurance in Texas, including the Fund, submit an Employee Provider Form EP-1 (or in the case of an employee provider firm that wishes to continue workers' compensation insurance coverage, an Employee Provider Form EP-1A) and a separate Employee Provider/Client Company Endorsement for each client company with which it has an employee leasing arrangement.

**4. Eligibility**

In addition to meeting the requirements of any other state and federal laws and regulations, if applicable, the employee provider firm shall provide to the insurer before coverage is bound the information required in Employee Provider Form EP-1 if requested, or to the Fund if the insurance is to be provided through the Fund.

**5. Employee Provider/Client Company Endorsement**

If requested by the insurer or the Fund, the employee provider firm shall provide to the insurer an Employee Provider/Client Company Endorsement for each client company with which the employee provider firm has an employee leasing arrangement.

**7. Audit**

The Insurer, including the Fund, may conduct periodic audits at any time after the effective date of the policy for any purpose. The insurer shall have the same rights of audit with respect to each client company that has engaged in any employee leasing arrangement. The insurer may make adjustments in premium calculations as a result of such audits.

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