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TENNESSEE COURT OF WORKERS' COMPENSATION CLAIMS

TENNESSEE BUREAU OF WORKERS' COMPENSATION
IN THE COURT OF WORKERS' COMPENSATION CLAIMS
AT NASHVILLE

RAUSEL HERNANDEZ, **Employee,** **v.** **CJR FRAMING, INC.; PHILLIPS FRAMING & ASSOCIATES, INC.; and TEXAS MUTUAL INSURANCE COMPANY,** **Respondents.**	**Docket No. 2023-06-4960** **State File Nos. 860538-2023, 860539-2023, 8842-2023, 62595-2023, 88099-2023** **Judge Joshua D. Baker**

ORDER DENYING MOTION TO DISMISS

Texas Mutual Insurance Company moved to dismiss all claims against it for lack of personal jurisdiction. Mr. Hernandez and Phillips Framing oppose the motion. For the below reasons, the Court denies the motion.

Claim History and Documentary Proof

Mr. Hernandez fell four stories from a roof while working for CJR Framing in Davidson County, Tennessee, on January 9, 2023. He suffered severe injuries and filed claims against multiple parties. The Court later dismissed all defendants *except Phillips and CJR* by an agreed order.

Phillips was the general contractor on the worksite, and CJR, a company based in Balch Springs, Texas, was a subcontractor hired by Phillips. Texas Mutual, CJR's insurer, was later added as a party. The issue is which party is responsible for Mr. Hernandez's claim if it is compensable.

When it hired CJR, Phillips received a certificate of insurance listing Texas Mutual as the workers' compensation carrier for the relevant period. An agency in Texas issued the certificate, which includes the following language: "THE WORKERS' COMPENSATION POLICY COVERS ALL TEXAS HIRED

WORKERS FOR SUBCONTRACTED PROJECTS IN THE STATE OF TENNESSEE." (Emphasis in original).

In his petition, Mr. Hernandez listed his home address as Dallas, Texas.

Texas Mutual attached a copy of the policy CJR purchased and points specifically to section 3A, which lists Texas as the only state where the policy applies.

In addition to the general policy, the contract contains an endorsement titled "LIMITED REIMBURSEMENT FOR TEXAS EMPLOYEES INJURED IN OTHER JURISDICTIONS." It states:

> This policy does not provide "other states" insurance coverage. This endorsement provides reimbursement coverage to you for those Texas employees who are described in the Texas Labor Code §§406.071-.072. Therefore[,] the coverage is for injuries to your Texas employees that occur in another state if (i) the injury would have been compensable had it occurred in Texas and (ii) the employee has significant contacts with Texas or the employment is principally located in Texas. An employee has significant contacts with Texas if the employee was hired or recruited in Texas, and (i) the employee was injured not later than one year after the date of hire; or (ii) has worked in Texas for at least ten working days during the twelve months preceding the date of injury.

The endorsement also states that an injured worker may "make a written election of workers' compensation benefits in the state in which the bodily injury occurred in lieu of Texas workers' compensation benefits."

Law and Analysis

Texas Mutual moves for dismissal under Tennessee Rule of Civil Procedure 12.02(2) (2025), asserting this Court lacks personal jurisdiction.

Personal jurisdiction may be achieved in one of two ways: 1) general, or 2) specific. *Int'l Shoe Co. v. Washington*, 326 U.S. 310, 317 (1945). General jurisdiction applies when a defendant maintains continuous and substantial operations within the state where jurisdiction is sought. *Id.* Based on the facts, Texas Mutual is not subject to the Court's jurisdiction on that ground.

As to specific jurisdiction, the Tennessee Supreme Court gave a two-part test to determine the necessary minimum contacts:

> The first step is the fact-gathering exercise of identifying the relevant contacts. The plaintiff is required to establish that minimum contacts

> exist by a preponderance of the evidence. The court should consider the quantity of the contacts, their nature and quality, and the source and connection of the cause of action with those contacts. A defendant's contacts are sufficiently meaningful when they demonstrate that the defendant has purposefully targeted Tennessee to the extent that the defendant should reasonably anticipate being haled into court here.
>
> If the court finds sufficient minimum contacts, then the inquiry should proceed to the second step. At step two, the defendant bears the burden of showing that, despite the existence of minimum contacts, exercising jurisdiction would be unreasonable or unfair. The court, at this stage, should consider such factors as the burden on the defendant, the interests of the forum state, the plaintiff's interest in obtaining relief, the judicial system's interest in obtaining the most efficient resolution of controversies, and the state's interest in furthering substantive social policies.

State v. NV Sumatra Tobacco Trading Co., 403 S.W.3d 726, 759-60 (Tenn. 2013).

Here, sufficient minimum contacts exist so that Texas Mutual should reasonably expect to be haled into a Tennessee Court.

First, the certificate of insurance states that the policy covers all Texas-based employees hired for subcontracted projects in Tennessee. Second, the endorsement allows for reimbursement for employees injured in states other than Tennessee if certain criteria are met. Third, the endorsement allows an employee injured in another state to choose benefits from that state "in lieu of Texas workers' compensation benefits." Fourth and last, Mr. Hernandez asserts he lives in Dallas, Texas, which may allow the endorsement to apply.

Texas Mutual cites *Lindsey v. Trinity Communications, Inc.*, 275 S.W.3d 411 (Tenn. 2009), as support that this Court lacks personal jurisdiction. In *Lindsey*, a case concerning statutory employment, the employee worked for an uninsured employer that was subcontracted by Broadband, a Texas company also insured by Texas Mutual. The trial court ultimately assigned liability to Texas Mutual under Tennessee Code Annotated section 50-6-113(a) (2005) by holding it was the statutory employer. Texas Mutual appealed, and the Supreme Court reversed, holding that the trial court lacked personal jurisdiction. *Id*. at 415-18.

The Supreme Court related the purpose of Texas Mutual, noting that the Texas Legislature created the company to offer insurance only to Texas companies and did no business in Tennessee. Thus, the Court ruled that general personal jurisdiction was lacking. *Id*. at 417.

As to specific personal jurisdiction, the Court stated:

> Texas Mutual did not direct any activity toward the citizens of Tennessee. Although Texas Mutual provided workers' compensation insurance coverage to Broadband, the policy purported to cover only Broadband employees working in Texas. Texas Mutual did not direct any activities toward the citizens of Tennessee and had no reasonable expectation that it would be haled into court in Tennessee under the terms of its agreement with Broadband. Thus, the court may not exercise specific personal jurisdiction over Texas Mutual.

Id. at 417-18.

The facts of this case are different. Unlike *Lindsey*, the certificate of insurance specifically provided coverage of injuries to all "Texas hired employees for subcontracted work in the state of Tennessee." While Texas Mutual argues that an insurance agent's notation on a certificate cannot bind Texas Mutual, no company subcontracting with another employer, as Phillips did here, should have to question whether the statements in an insurance certificate are binding.

Next, the Court considers whether requiring Texas Mutual to defend a claim in Tennessee is unreasonable or unfair. It is not. The accident occurred in Tennessee, and the witnesses with important evidence are located in Tennessee, so having the trial where the accident occurred would result in quicker resolution. Also, as Texas Mutual has Tennessee counsel, defending the claim in court would not be a burden.

For those reasons, Texas Mutual's motion to dismiss is denied.

IT IS ORDERED.

ENTERED March 5, 2026.

JUDGE JOSHUA D. BAKER
Court of Workers' Compensation Claims

CERTIFICATE OF SERVICE

I certify that a copy of this Order was sent as indicated on March 5, 2026.

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