

## **BILL ANALYSIS**

Senate Research Center  
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H.B. 2613  
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Engrossed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Insurance regulators nationwide have become increasingly more aware of the benefits to the insurance-consuming public of a more effective, efficient means to get particular types of insurance products reviewed, approved, and to market sooner so that those consumers have quicker access to competitive, approved products. To attain this goal, the National Association of Insurance Commissioners two years ago adopted for consideration by individual states the Interstate Insurance Product Regulation Compact (compact). The compact is a model representing an agreement among member states to create, implement and refine a streamlined system of insurance product regulation through the employment of national uniform product standards. Such standards are required by the compact to effectively prohibit use of inconsistent, misleading or ambiguous provisions in a product, as well as to prohibit products the commission determines are unfair, inequitable or against public policy.

The compact creates a multi-state commission to receive, review and make decisions on insurance product filings according to such national uniform standards, thereby reducing the number of variations of the same product a company must produce to meet each state's specific product standards and permitting insurers to market approved products in all compacting states in which they are authorized.

The compact reflects state insurance regulator commitment to a more efficient review-approval process for four specific product lines: life insurance, annuities, disability income, and long-term care insurance. The compact provides for a multi-state commission that includes one member from each member state. The commission is to adopt, by rule, a set of bylaws to govern its activities. A management committee of 14 members is to oversee the day-to-day activities of the compact. The committee is to include one member from each of the six largest states, four members from mid-sized states and one member from smaller states from four regional zones.

H.B. 2613 permits Texas to serve as a member of the management committee, since Texas is among the six largest states in premium volume for products covered by the compact. It permits Texas to participate with other states to create and refine uniform product standards by a rulemaking process, once 26 states – or states representing 40 percent of the premium volume for designated products – have adopted the Compact. It permits Texas to exercise approval authority for such standards, both as a member of the management committee and a participating state. H.B. 2613 permits Texas to materially participate, through the commissioner of insurance as commission representative, in the establishment of uniform standards for life insurance, annuities, disability income insurance and long-term care insurance; receipt and review of product filings by insurance companies; approval of such filings that satisfy applicable product standards; and assistance to compacting states in evaluating whether adopted product standards have been adhered to in particular compacting states.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Interstate Insurance Product Regulation Commission in SECTION 1 (Section 1, Article VII, Chapter 5001, Insurance Code; Section 1, Article VIII, Chapter 5001, Insurance Code; Section 2, Article X, Chapter 5001, Insurance Code; and Section 1, Article XI, Chapter 5001, Insurance Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends the Insurance Code, by adding Title 15, as follows:

## TITLE 15. INTERSTATE INSURANCE COMPACTS

### CHAPTER 5001. INTERSTATE INSURANCE PRODUCT REGULATION COMPACT

Sec. 5001.001. ADOPTION OF COMPACT; REPRESENTATIVE TO COMMISSION. Provides that, pursuant to the terms and conditions of this chapter, the state joins with other states that have adopted the Interstate Insurance Product Regulation Compact to establish and become a member of the Interstate Insurance Product Regulation Commission. The commissioner of insurance (commissioner) is the state's representative to that commission.

Sec. 5001.002. TERMS OF COMPACT.

#### ARTICLE I. PURPOSES

Sets forth the purposes of this compact, through means of joint and cooperative action among the compacting states.

#### ARTICLE II. DEFINITIONS

Defines "advertisement," "bylaws," "compacting state," "commission," "commissioner," "domiciliary state," "insurer," "member," "non-compacting state," "operating procedures," "product," "rule," "state," "third-party filer," and "uniform standard."

#### ARTICLE III. ESTABLISHMENT OF THE COMMISSION AND VENUE

1. Provides that the compacting states hereby create and establish a joint public agency known as the "Interstate Insurance Product Regulation Commission" (commission). Provides that, pursuant to Article IV, the commission will have the power to develop uniform standards for product lines, receive and provide prompt review of products filed therewith, and give approval to those product filings satisfying applicable uniform standards; provided, it is not intended for the commission to be the exclusive entity for receipt and review of insurance product filings. Requires that nothing herein prohibit any insurer from filing its product in any state wherein the insurer is licensed to conduct the business of insurance; and requires any such filing to be subject to the laws of the state where filed.
2. Provides that the commission is a body corporate and politic, and an instrumentality of the compacting states.
3. Provides that the commission is solely responsible for its liabilities except as otherwise specifically provided in this compact.
4. Provides that venue is proper and requires judicial proceedings by or against the commission to be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located.

#### ARTICLE IV. POWERS OF THE COMMISSION

Sets forth the powers the commission is required to possess.

#### ARTICLE V. ORGANIZATION OF THE COMMISSION

##### 1. Membership, Voting and Bylaws

- a. Requires each compacting state to have and be limited to one member. Requires each member to be qualified to serve in that capacity pursuant to applicable law of the compacting state. Authorizes any member to be removed or suspended from office as provided by the law of the state from which he or she shall be appointed. Requires any vacancy occurring in the commission to be

filled in accordance with the laws of the compacting state wherein the vacancy exists. Requires that nothing herein be construed to affect the manner in which a compacting state determines the election or appointment and qualification of its own commissioner.

b. Requires each member to be entitled to one vote and to have an opportunity to participate in the governance of the commission in accordance with the bylaws. Prohibits any action of the commission with respect to the promulgation of a uniform standard, notwithstanding any provision herein to the contrary, from being effective unless two-thirds (2/3) of the members vote in favor thereof.

c. Requires the commission, by a majority of the members, to prescribe bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes, and exercise the powers, of the compact, including, but not limited to, certain provisions.

d. Requires the commission to publish its bylaws in a convenient form and file a copy thereof and a copy of any amendment thereto, with the appropriate agency or officer in each of the compacting states.

## 2. Management Committee, Officers and Personnel

a. Sets forth the required composition of the management committee of no more than fourteen (14) members.

b. Requires the management committee to have such authority and duties as may be set forth in the bylaws, including, but not limited to, certain duties.

c. Requires the commission to elect annually officers from the management committee, with each having such authority and duties, as may be specified in the bylaws.

d. Authorizes the management committee, subject to the approval of the commission, to appoint or retain an executive director for such period, upon such terms and conditions and for such compensation as the commission may deem appropriate. Provides that the executive director is required to serve as secretary to the commission, but is prohibited from being a member of the commission. Requires the executive director to hire and supervise such other staff as may be authorized by the commission.

## 3. Legislative and Advisory Committees

a. Requires a legislative committee comprising state legislators or their designees to be established to monitor the operations of, and make recommendations to, the commission, including the management committee; requires the manner of selection and term of any legislative committee member to be as set forth in the bylaws. Requires the management committee to consult with and report to the legislative committee prior to the adoption by the commission of any uniform standard, revision to the bylaws, annual budget or other significant matter as may be provided in the bylaws.

b. Requires the commission to establish two (2) advisory committees, one of which will comprise consumer representatives independent of the insurance industry, and the other comprising insurance industry representatives.

c. Authorizes the commission to establish additional advisory committees as its bylaws may provide for the carrying out of its functions.

## 4. Corporate Records of the Commission

Requires the commission to maintain its corporate books and records in accordance with the bylaws.

#### 5. Qualified Immunity, Defense and Indemnification

a. Requires the members, officers, executive director, employees and representatives of the commission to be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties or responsibilities; prohibits anything in this paragraph to be construed to protect any such person from suit and/or liability for any damage, loss, injury or liability caused by the intentional or willful and wanton misconduct of that person.

b. Requires the commission to defend any member, officer, executive director, employee or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error or omission that occurred within the scope of commission employment, duties or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties or responsibilities; prohibits anything herein from being construed to prohibit that person from retaining his or her own counsel; and provides that further, the actual or alleged act, error or omission did not result from that person's intentional or willful and wanton misconduct.

c. Requires the commission to indemnify and hold harmless any member, officer, executive director, employee or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error or omission that occurred within the scope of commission employment, duties or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties or responsibilities, provided, that the actual or alleged act, error or omission did not result from the intentional or willful and wanton misconduct of that person.

#### ARTICLE VI. MEETINGS AND ACTS OF THE COMMISSION

1. Requires the commission to meet and take such actions as are consistent with the provisions of this compact and the bylaws.

2. Requires each member of the commission to have the right and power to cast a vote to which that compacting state is entitled and to participate in the business and affairs of the commission. Requires a member to vote in person or by such other means as provided in the bylaws. Authorizes the bylaws to provide for members' participation in meetings by telephone or other means of communication.

3. Requires the commission to meet at least once during each calendar year. Requires additional meetings to be held as set forth in the bylaws.

#### ARTICLE VII. RULES AND OPERATING PROCEDURES: RULEMAKING FUNCTIONS OF THE COMMISSION AND OPTING OUT OF UNIFORM STANDARDS

1. Rulemaking Authority. Requires the commission to promulgate reasonable rules, including uniform standards, and operating procedures in order to effectively and efficiently achieve the purposes of this compact. Requires an action by the commission, in the event the commission exercises its rulemaking authority in a manner that is beyond the scope of the purposes of this Act, or the powers granted hereunder, to be invalid and have no force and effect, notwithstanding the foregoing.

2. Rulemaking Procedure. Requires rules and operating procedures to be made pursuant to a rulemaking process that conforms to the Model State Administrative Procedure Act of 1981 as amended, as may be appropriate to the operations of the commission. Requires the commission, before it adopts a uniform standard, to give written notice to the relevant state legislative committee(s) in each compacting state responsible for insurance issues of its intention to adopt the Uniform Standard. Requires the commission, in adopting a uniform standard to consider fully all submitted materials and issue a concise explanation of its decision.

3. Effective Date and Opt Out of a Uniform Standard. Requires a uniform standard to become effective ninety (90) days after its promulgation by the commission or such later date as the commission may determine; authorizes a compacting state, however, to opt out of a uniform standard as provided in this article. Defines "opt out." Requires all other rules and operating procedures, and amendments thereto, to become effective as of the date specified in each rule, operating procedure or amendment.

4. Opt Out Procedure. Authorizes a compacting State to opt out of a uniform standard, either by legislation or regulation duly promulgated by the Insurance Department under the compacting state's Administrative Procedure Act. Sets forth requirements for a compacting state that elects to opt out of a uniform standard by regulation. Requires the commissioner to make specific findings of fact and conclusions of law, based on a preponderance of the evidence, detailing the conditions in the state which warrant a departure from the uniform standard and determining that the uniform standard would not reasonably protect the citizens of the state. Requires the commissioner to consider and balance certain factors and find that the conditions in the state and needs of the citizens of the state outweigh such factors.

Authorizes a compacting state, notwithstanding the foregoing, at the time of its enactment of this compact, to prospectively opt out of all uniform standards involving long-term care insurance products by expressly providing for such opt out in the enacted compact, and prohibits such an opt out from being treated as a material variance in the offer or acceptance of any state to participate in this compact. Requires such an opt out to be effective at the time of enactment of this compact by the compacting state and to apply to all existing uniform standards involving long-term care insurance products and those subsequently promulgated.

5. Effect of Opt Out. Requires the uniform standard, if a compacting state elects to opt out of a uniform standard, to remain applicable in the compacting state electing to opt out until such time the opt out legislation is enacted into law or the regulation opting out becomes effective.

Requires the uniform standard, once the opt out of a uniform standard by a compacting state becomes effective as provided under the laws of that state, to have no further force and effect in that state unless and until the legislation or regulation implementing the opt out is repealed or otherwise becomes ineffective under the laws of the state. Requires the opt out to have the same prospective effect as provided under Article XIV for withdrawals if a compacting state opts out of a uniform standard after the uniform standard has been made effective in that state.

6. Stay of Uniform Standard. Authorizes a compacting state, if it has formally initiated the process of opting out of a uniform standard by regulation, and while the regulatory opt out is pending, to petition the commission, at least fifteen (15) days before the effective date of the uniform standard, to stay the effectiveness of the uniform standard in that state. Authorizes the commission to grant a stay if it determines the regulatory opt out is being pursued in a reasonable manner and there is a likelihood of success. Authorizes a stay or extension thereof, if a stay is granted or extended by the commission, to postpone the effective date by up to ninety (90) days, unless affirmatively extended by the commission; prohibits a stay from being permitted to remain in effect for more than one (1) year unless the compacting state can show extraordinary circumstances which warrant a continuance of the stay, including, but not limited to, the existence of a legal challenge which prevents the compacting state from opting out. Authorizes a stay to

be terminated by the commission upon notice that the rulemaking process has been terminated.

7. Authorizes any person, not later than thirty (30) days after a rule or operating procedure is promulgated, to file a petition for judicial review of the rule or operating procedure; prohibits the filing of such a petition from staying or otherwise preventing the rule or operating procedure from becoming effective unless the court finds that the petitioner has a substantial likelihood of success. Requires the court to give deference to the actions of the commission consistent with applicable law and prohibits the court from finding the rule or operating procedure to be unlawful if the rule or operating procedure represents a reasonable exercise of the commission's authority.

#### ARTICLE VIII. COMMISSION RECORDS AND ENFORCEMENT

1. Requires the commission to promulgate rules establishing conditions and procedures for public inspection and copying of its information and official records, except such information and records involving the privacy of individuals and insurers' trade secrets. Authorizes the commission to promulgate additional rules under which it may make available to federal and state agencies, including law enforcement agencies, records and information otherwise exempt from disclosure, and may enter into agreements with such agencies to receive or exchange information or records subject to nondisclosure and confidentiality provisions.

2. Prohibits the laws of any compacting state pertaining to confidentiality or nondisclosure, except as to privileged records, data and information, from relieving any compacting state commissioner of the duty to disclose any relevant records, data or information to the commission; prohibits disclosure to the commission from being deemed to waive or otherwise affect any confidentiality requirement; prohibits the commission, except as otherwise expressly provided in this Act, from being subject to the compacting state's laws pertaining to confidentiality and nondisclosure with respect to records, data and information in its possession. Requires confidential information of the commission to remain confidential after such information is provided to any commissioner.

3. Requires the commission to monitor compacting states for compliance with duly adopted bylaws, rules, including uniform standards, and operating procedures. Requires the commission to notify any non-complying compacting state in writing of its noncompliance with commission bylaws, rules or operating procedures. Requires a compacting state to be deemed to be in default as set forth in Article XIV if a non-complying compacting state fails to remedy its noncompliance within the time specified in the notice of noncompliance.

4. Requires the commissioner of any state in which an insurer is authorized to do business, or is conducting the business of insurance, to continue to exercise his or her authority to oversee the market regulation of the activities of the insurer in accordance with the provisions of the state's law. Provides that the commissioner's enforcement of compliance with the compact is governed by certain provisions.

#### ARTICLE IX. DISPUTE RESOLUTION

Requires the commission to attempt, upon the request of a member, to resolve any disputes or other issues that are subject to this compact and which may arise between two or more compacting states, or between compacting states and non-compacting states, and requires the commission to promulgate an operating procedure providing for resolution of such disputes.

#### ARTICLE X. PRODUCT FILING AND APPROVAL

1. Requires insurers and third-party filers seeking to have a product approved by the commission to file the product with, and pay applicable filing fees to, the commission. Prohibits anything in this Act from being construed to restrict or otherwise prevent an

insurer from filing its product with the insurance department in any state wherein the insurer is licensed to conduct the business of insurance, and requires such filing to be subject to the laws of the states where filed.

2. Requires the commission to establish appropriate filing and review processes and procedures pursuant to commission rules and operating procedures. Requires the commission, notwithstanding any provision herein to the contrary, to promulgate rules to establish conditions and procedures under which the commission will provide public access to product filing information. Requires the commission, in establishing such rules, to consider the interests of the public in having access to such information, as well as protection of personal medical and financial information and trade secrets, that may be contained in a product filing or supporting information.

3. Authorizes any product approved by the commission to be sold or otherwise issued in those compacting states for which the insurer is legally authorized to do business.

#### ARTICLE XI. REVIEW OF COMMISSION DECISIONS REGARDING FILINGS

1. Authorizes an insurer or third-party filer whose filing was disapproved to appeal the determination to a review panel appointed by the commission not later than thirty (30) days after the commission has given notice of a disapproved product or advertisement filed with the commission. Requires the commission to promulgate rules to establish procedures for appointing such review panels and provide for notice and hearing. Provides that an allegation that the commission, in disapproving a product or advertisement filed with the commission, acted arbitrarily, capriciously, or in a manner that is an abuse of discretion or otherwise not in accordance with the law, is subject to judicial review in accordance with Article III, Section 4.

2. Requires the commission to have authority to monitor, review, and reconsider products and advertisement subsequent to their filing or approval upon a finding that the product does not meet the relevant uniform standard. Authorizes the commission, where appropriate, to withdraw or modify its approval after proper notice and hearing, subject to the appeal process in Section 1 above.

#### ARTICLE XII. FINANCE

1. Requires the commission to pay or provide for the payment of the reasonable expenses of its establishment and organization. Authorizes the commission, to fund the cost of its initial operations, to accept contributions and other forms of funding from the National Association of Insurance Commissioners, compacting states and other sources. Requires contributions and other forms of funding from other sources to be of such a nature that the independence of the commission concerning the performance of its duties shall not be compromised.

2. Requires the commission to collect a filing fee from each insurer and third-party filer filing a product with the commission to cover the cost of the operations and activities of the commission and its staff in a total amount sufficient to cover the commission's annual budget.

3. Prohibits the commission's budget for a fiscal year from being approved until it has been subject to notice and comment as set forth in Article VII of this compact.

4. Requires the commission to be exempt from all taxation in and by the compacting states.

5. Prohibits the commission from pledging the credit of any compacting state, except by and with the appropriate legal authority of that compacting state.

6. Requires the commission to keep complete and accurate accounts of all its internal receipts, including grants and donations, and disbursements of all funds under its control. Requires the internal financial accounts of the commission to be subject to the accounting

procedures established under its bylaws. Requires the financial accounts and reports including the system of internal controls and procedures of the commission to be audited annually by an independent certified public accountant. Requires the review of the independent auditor, upon the determination of the commission, but no less frequently than every three (3) years, to include a management and performance audit of the commission. Requires the commission to make an annual report to the governor and legislature of the compacting states, which is required to include a report of the independent audit. Prohibits the commission's internal accounts from being confidential and such materials may be shared with the commissioner of any compacting state upon request provided, however, that any work papers related to any internal or independent audit and any information regarding the privacy of individuals and insurers' proprietary information, including trade secrets, are required to remain confidential.

7. Prohibits any compacting state from having any claim to or ownership of any property held by or vested in the commission or to any commission funds held pursuant to the provisions of this compact.

#### ARTICLE XIII. COMPACTING STATES, EFFECTIVE DATE AND AMENDMENT

1. Provides that any State is eligible to become a compacting state.
2. Requires the compact to become effective and binding upon legislative enactment of the compact into law by two compacting states; requires the commission to become effective for purposes of adopting uniform standards for, reviewing, and giving approval or disapproval of, products filed with the commission that satisfy applicable uniform standards only after twenty-six (26) states are compacting states or, alternatively, by states representing greater than forty percent (40%) of the premium volume for life insurance, annuity, disability income and long-term care insurance products, based on records of the NAIC for the prior year. Requires it, thereafter, to become effective and binding as to any other compacting state upon enactment of the compact into law by that state.
3. Authorizes amendments to the compact to be proposed by the commission for enactment by the compacting states. Prohibits any amendment from becoming effective and binding upon the commission and the compacting states unless and until all compacting states enact the amendment into law.

#### ARTICLE XIV. WITHDRAWAL, DEFAULT AND TERMINATION

1. Withdrawal
  - a. Requires the compact, once effective, to continue in force and remain binding upon each and every compacting state; authorizes a compacting state to withdraw from the compact ("withdrawing state") by enacting a statute specifically repealing the statute which enacted the compact into law.
  - b. Provides that the effective date of withdrawal is the effective date of the repealing statute. Prohibits the withdrawal, however, from applying to any product filings approved or self-certified, or any advertisement of such products, on the date the repealing statute becomes effective, except by mutual agreement of the commission and the withdrawing state unless the approval is rescinded by the withdrawing state as provided in Paragraph (e) of this section.
  - c. Requires the commissioner of the withdrawing state to immediately notify the management committee in writing upon the introduction of legislation repealing this compact in the withdrawing state.
  - d. Requires the commission to notify the other compacting states of the introduction of such legislation within ten (10) days after its receipt of notice thereof.



e. Provides that the withdrawing state is responsible for all obligations, duties and liabilities incurred through the effective date of withdrawal, including any obligations, the performance of which extend beyond the effective date of withdrawal, except to the extent those obligations may have been released or relinquished by mutual agreement of the commission and the withdrawing state. Requires the commission's approval of products and advertisement prior to the effective date of withdrawal to continue to be effective and be given full force and effect in the withdrawing state, unless formally rescinded by the withdrawing state in the same manner as provided by the laws of the withdrawing state for the prospective disapproval of products or advertisement previously approved under state law.

f. Requires reinstatement following withdrawal of any compacting state to occur upon the effective date of the withdrawing state reenacting the compact.

## 2. Default

a. Requires all rights, privileges and benefits conferred by this compact on the defaulting state to be suspended from the effective date of default as fixed by the commission if the commission determines that any compacting state has at any time defaulted in the performance of any of its obligations or responsibilities under this compact, the bylaws or duly promulgated rules or operating procedures, after notice and hearing as set forth in the bylaws. Sets forth the grounds for default. Requires the commission to immediately notify the defaulting state in writing of the defaulting state's suspension pending a cure of the default. Requires the commission to stipulate the conditions and the time period within which the defaulting state is required to cure its default. Requires the defaulting state, if it fails to cure the default within the time period specified by the commission, to be terminated from the compact and all rights, privileges and requires benefits conferred by this compact to be terminated from the effective date of termination.

b. Requires product approvals by the commission or product self-certifications, or any advertisement in connection with such product, that are in force on the effective date of termination to remain in force in the defaulting state in the same manner as if the defaulting state had withdrawn voluntarily pursuant to Section 1 of this article.

c. Provides that reinstatement following termination of any compacting state requires a reenactment of the compact.

## 3. Dissolution of Compact

a. Provides that the compact dissolves effective upon the date of the withdrawal or default of the compacting state which reduces membership in the compact to one compacting state.

b. Provides that, upon the dissolution of this compact, the compact becomes null and void and shall be of no further force or effect, and requires the business and affairs of the commission to be wound up and any surplus funds to be distributed in accordance with the bylaws.

## ARTICLE XV. SEVERABILITY AND CONSTRUCTION

1. Requires the provisions of this compact to be severable; and requires the remaining provisions of the compact to be enforceable if any phrase, clause, sentence or provision is deemed unenforceable.

2. Requires the provisions of this compact to be liberally construed to effectuate its purposes.

## ARTICLE XVI. BINDING EFFECT OF COMPACT AND OTHER LAWS

### 1. Other Laws

a. Provides that nothing herein prevents the enforcement of any other law of a compacting state, except as provided in Paragraph b of this section.

b. Requires the rules, uniform standards and any other requirements of the commission, for any product approved or certified to the commission, to constitute the exclusive provisions applicable to the content, approval and certification of such products. Requires any rule, uniform standard or other requirement of the commission which governs the content of the advertisement, for an advertisement that is subject to the commission's authority, to constitute the exclusive provision that a commissioner is authorized to apply to the content of the advertisement. Prohibits any action taken by the commission from abrogating or restricting: (i) the access of any person to state courts; (ii) remedies available under state law related to breach of contract, tort, or other laws not specifically directed to the content of the Product; (iii) state law relating to the construction of insurance contracts; or (iv) the authority of the attorney general of the state, including but not limited to maintaining any actions or proceedings, as authorized by law.

c. Requires all insurance products filed with individual states to be subject to the laws of those states.

### 2. Binding Effect of this Compact

a. Provides that all lawful actions of the commission, including all rules and operating procedures promulgated by the commission, are binding upon the compacting states.

b. Provides that all agreements between the commission and the compacting states are binding in accordance with their terms.

c. Authorizes the commission, upon the request of a party to a conflict over the meaning or interpretation of commission actions, and upon a majority vote of the compacting states, to issue advisory opinions regarding the meaning or interpretation in dispute.

d. Requires the obligations, duties, powers or jurisdiction sought to be conferred by that provision upon the commission, in the event any provision of this compact exceeds the constitutional limits imposed on the legislature of any compacting state, to be ineffective as to that compacting state, and requires those obligations, duties, powers or jurisdiction to remain in the compacting state and to be exercised by the agency thereof to which those obligations, duties, powers or jurisdiction are delegated by law in effect at the time this compact becomes effective.

SECTION 2. Effective date: upon passage or September 1, 2005.