

Amend SB 1450 (house committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 36.004, Insurance Code, is amended to read as follows:

Sec. 36.004. COMPLIANCE WITH NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS REQUIREMENTS; INTERIM RULES; REPORT.

(a) Except as provided by Subsection (b) or (c) or Section 36.005, the department may not require an insurer to comply with a rule, regulation, directive, or standard adopted by the National Association of Insurance Commissioners, including a rule, regulation, directive, or standard relating to policy reserves, unless:

(1) application of the rule, regulation, directive, or standard is expressly authorized by statute; or

(2) a statute authorizes the commissioner to adopt rules consistent with the rule, regulation, directive, or standard  
[and approved by the commissioner].

(b) Subsection (a) does not apply to:

(1) any statute that is based on or substantially similar to a National Association of Insurance Commissioners model law or regulation;

(2) financing reporting, including mortality tables, reserve tables, and other actuarial standards for reporting reserves, under Section 843.155 and Chapters 401, 421, 425, 426, 443, 802, 1105, and 2551;

(3) securities valuations by the Securities Valuation Office of the National Association of Insurance Commissioners under this code;

(4) risk-based capital reporting under Sections 822.210, 841.205, 843.404, 884.206, and 912.308;

(5) fraud reporting under Chapters 701 and 1111A;

(6) the Own Risk and Solvency Assessment Guidance Manual and confidentiality agreements under Chapter 830; or

(7) the Interstate Insurance Product Regulation Compact under Chapter 5001.

(c) The commissioner may adopt an interim rule to require

compliance with a rule, regulation, directive, or standard adopted by the National Association of Insurance Commissioners if:

(1) the commissioner finds the rule is technical or nonsubstantive in nature or necessary to preserve the department's accreditation; and

(2) before the adoption of the rule, the commissioner provides the standing committees of the senate and house of representatives with primary jurisdiction over the department with written notice of the commissioner's intent to adopt the rule.

(d) A substantive rule adopted under Subsection (c) shall remain in effect only until 30 days following the end of the next session of the legislature unless a law is enacted that authorizes the subject matter of the rule. If a law is enacted that authorizes the subject matter of the rule, the rule will continue in effect.

(e) Not later than December 31 of each even-numbered year, the department shall submit to the standing committees of the senate and house of representatives with primary jurisdiction over the department a written report that includes:

(1) the specific statutes in this code and rules adopted by the commissioner that are based on National Association of Insurance Commissioners model laws or regulations;

(2) statutory changes that may be necessary to maintain the department's accreditation; and

(3) the most recent standards the National Association of Insurance Commissioners has adopted or published that are necessary to maintain the department's accreditation.

SECTION \_\_\_\_\_. Section 36.004, Insurance Code, as amended by this Act, applies only to a rule adopted or amended on or after the effective date of this Act. A rule in effect before the effective date of this Act continues in effect until amended or superseded, subject to Section 36.005, Insurance Code.