86R14379 CLE-D

By:  Taylor S.C.R. No. 26

CONCURRENT RESOLUTION

WHEREAS, Like many other states, Texas incorporates noncontroversial technical and procedural changes into its insurance statutes by reference to the model laws and regulations of the National Association of Insurance Commissioners; this practice is known as incorporation by reference; and

WHEREAS, An example of incorporation by reference is Section 421.001(c), Insurance Code, which requires the commissioner of insurance to adopt each current formula recommended by the National Association of Insurance Commissioners for establishing reserves for each line of insurance; and

WHEREAS, Another example is Section 541.401(b)(2), Insurance Code, which authorizes the commissioner of insurance to adopt a rulemaking provision the commissioner considers necessary to conform to the adopted procedures of the National Association of Insurance Commissioners; and

WHEREAS, There is concern that incorporation by reference in the Texas Insurance Code is an unconstitutional delegation of legislative authority, and a study would help to determine the appropriateness of using National Association of Insurance Commissioners model laws and regulations instead of passing laws specific to Texas; now, therefore, be it

RESOLVED, That the 86th Legislature of the State of Texas hereby request the lieutenant governor and the speaker of the house of representatives to create a joint interim committee to study the use of incorporation by reference in the Texas Insurance Code; and, be it further

RESOLVED, That the committee submit a full report, including findings and recommendations, to the 87th Texas Legislature before it convenes in January 2021; and, be it further

RESOLVED, That the committee's proceedings and operations be governed by such general rules and policies for interim committees as the 86th Texas Legislature may adopt.