

By: Taylor

S.C.R. No. 26

CONCURRENT RESOLUTION

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

6 WHEREAS, An example of incorporation by reference is Section
7 [421.001\(c\)](#), Insurance Code, which requires the commissioner of
8 insurance to adopt each current formula recommended by the National
9 Association of Insurance Commissioners for establishing reserves
10 for each line of insurance; and

11 WHEREAS, Another example is Section [541.401\(b\)\(2\)](#), Insurance
12 Code, which authorizes the commissioner of insurance to adopt a
13 rulemaking provision the commissioner considers necessary to
14 conform to the adopted procedures of the National Association of
15 Insurance Commissioners; and

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

22 RESOLVED, That the 86th Legislature of the State of Texas
23 hereby request the lieutenant governor and the speaker of the house
24 of representatives to create a joint interim committee to study the

1 use of incorporation by reference in the Texas Insurance Code; and,
2 be it further

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

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