

## **BILL ANALYSIS**

Senate Research Center

S.B. 1894  
By: Sibley  
Economic Development  
3-26-97  
As Filed

### **DIGEST**

Currently, the commissioner of insurance (commissioner) is authorized to adopt rules and regulations for the conduct and execution of the duties and functions of the Texas Department of Insurance as authorized by statute. This general rulemaking authority is continually used to justify the adoption of rules. This bill would require rules adopted by the commissioner to state the subject matter to be regulated and the specific statutory authority for the rule.

### **PURPOSE**

As proposed, S.B. 1894 sets forth guidelines in regard to the adoption of rules by the commissioner of insurance.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the commissioner of insurance in SECTION 1 (Article 1.03A(c) and (d)) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Article 1.03A, Insurance Code, to authorize the commissioner of insurance (commissioner) to adopt rules, rather than rules and regulations, for the conduct and execution of the duties and functions of the Department of Insurance only as authorized by a statute. Provides that each rule adopted under this article must be written in clear and concise language. Requires each rule adopted under this article to state the subject matter to be regulated and the specific statutory authority for the rule. Provides that the use of this article or any other provision of this code as general authority for the commissioner to adopt rules is not sufficient to satisfy the requirements of this subsection. Provides that a rule adopted by the commissioner that does not comply with the requirements of this article is void. Makes conforming and nonsubstantive changes.

SECTION 2. Effective date: September 1, 1997.  
Makes application of this Act prospective.

SECTION 3. Emergency clause.