

BILL ANALYSIS

H.B. 1775
By: Taylor
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

This bill amends the Insurance Code to add a definition of “actual charge” or “actual fee” only to specified disease insurance policies. This bill clarifies current law and provides consistent definition for these terms that are often not defined in specified disease insurance policies. This definition applies only to specified disease insurance policies. Insurance regulators in many states have adopted this definition by rule or practice. Definition of these terms provides important clarity for policyholders, providers, and insurers.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1.

Adds Section 1201.0601 of the Insurance Code to define the term “actual charge” or “actual fee” contained in specified disease insurance policies.

SECTION 2.

The act applies to any specified disease insurance policy delivered, issued for delivery, or renewed on or after the effective date. The definitions apply also to policies in effect on the effective date if the policy does not define these terms.

SECTION 3.

The effective date is September 1, 2005.

EFFECTIVE DATE

September 1, 2005