

AN ACT

relating to the meaning of certain terms used in a specified disease insurance policy.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 1201, Insurance Code, is amended by adding Section 1201.0601 to read as follows:

Sec. 1201.0601. REQUIRED DEFINITIONS: SPECIFIED DISEASE POLICY. An individual or group specified disease insurance policy that uses the term "actual charge" or "actual fee" must define the terms as follows:

"Actual charge" or "actual fee" means the amount actually paid by or on behalf of the insured and accepted by a provider for services provided.

SECTION 2. (a) Except as provided by Subsection (b) of this section, the change in law made by this Act applies only to an insurance policy delivered, issued for delivery, or renewed on or after the effective date of this Act. An insurance policy delivered, issued for delivery, or renewed before the effective date of this Act is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

(b) The change in law made by this Act applies to an insurance policy in effect on the effective date of this Act only if the policy does not define "actual charge" or "actual fee."

SECTION 3. This Act takes effect September 1, 2005.

President of the Senate

Speaker of the House

I certify that H.B. No. 1775 was passed by the House on May 13, 2005, by a non-record vote.

Chief Clerk of the House

I certify that H.B. No. 1775 was passed by the Senate on May 25, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor