

1-1 By: Taylor (Senate Sponsor - Averitt) H.B. No. 1775  
1-2 (In the Senate - Received from the House May 16, 2005;  
1-3 May 17, 2005, read first time and referred to Committee on State  
1-4 Affairs; May 20, 2005, reported favorably by the following vote:  
1-5 Yeas 7, Nays 0; May 20, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the meaning of certain terms used in a specified disease  
1-9 insurance policy.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter B, Chapter 1201, Insurance Code, is  
1-12 amended by adding Section 1201.0601 to read as follows:

1-13 Sec. 1201.0601. REQUIRED DEFINITIONS: SPECIFIED DISEASE  
1-14 POLICY. An individual or group specified disease insurance policy  
1-15 that uses the term "actual charge" or "actual fee" must define the  
1-16 terms as follows:

1-17 "Actual charge" or "actual fee" means the amount actually  
1-18 paid by or on behalf of the insured and accepted by a provider for  
1-19 services provided.

1-20 SECTION 2. (a) Except as provided by Subsection (b) of this  
1-21 section, the change in law made by this Act applies only to an  
1-22 insurance policy delivered, issued for delivery, or renewed on or  
1-23 after the effective date of this Act. An insurance policy  
1-24 delivered, issued for delivery, or renewed before the effective  
1-25 date of this Act is governed by the law in effect immediately before  
1-26 that date, and that law is continued in effect for that purpose.

1-27 (b) The change in law made by this Act applies to an  
1-28 insurance policy in effect on the effective date of this Act only if  
1-29 the policy does not define "actual charge" or "actual fee."

1-30 SECTION 3. This Act takes effect September 1, 2005.

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