

## **BILL ANALYSIS**

Senate Research Center  
80R8252 AJA-F

S.B. 1399  
By: Williams  
State Affairs  
5/10/2007  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The 79th Legislature, Regular Session, 2005, enacted H.B. 1775, which defines actual charges in a specified disease policy as the amount that is actually paid by or on behalf of the insured and accepted by a provider for services provided. This legislation caused a reduction in benefits paid out by insurance companies without any corresponding cut in the premium payments.

As proposed, S.B. 1399 repeals the language pertaining to "actual charges" in specified disease policies.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to any state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Repealer: Section 1201.0601 (Required Definitions: Specified Disease Policy), Insurance Code.

SECTION 2. (a) Provides that except as provided by Subsection (b) of this section the change in law made by this Act applies to an insurance policy delivered, issued for delivery, or renewed on or after the effective date of this Act.

(b) Provides that an insurance policy delivered, issued for delivery, or renewed before September 1, 2005, is subject to the law in effect immediately before that date.

SECTION 3. Effective date: upon passage or September 1, 2007.