

1 AN ACT

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

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

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

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

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

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

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

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

David Newkirk

President of the Senate

Jim Caddick

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.

Robert Haney
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.

Lately Saw
Secretary of the Senate

APPROVED: 18 JUNE '05

Date

Rick Perry

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
9:15 AM '05

Roger Williams
Secretary of State