

BILL ANALYSIS

Senate Research Center
79R6333 AJA-F

H.B. 1775
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State Affairs
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, some specified disease insurance policies do not define the terms "actual charge" or "actual fee," causing uncertainty as to how much the insurance company should pay on a claim.

H.B. 1775 amends the Insurance Code to add a definition of actual charge or actual fee in relation to specified disease insurance policies. H.B. 1775 clarifies current law and provides consistent definitions for these terms that are often not defined in specified disease insurance policies. Providing a definition for these terms provides clarity for policyholders, providers, and insurers.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 1201, Insurance Code, by adding Section 1201.0601, as follows:

Sec. 1201.061. REQUIRED DEFINITIONS: SPECIFIED DISEASE POLICY. Requires an individual or group specified disease insurance policy that uses the term actual charge or actual fee to define the terms in accordance with this section. Defines "actual charge" and "actual fee."

SECTION 2. (a) Makes application of this Act prospective, except as provided by Subsection (b).

(b) Provides that 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. Effective date: September 1, 2005.