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**BULLETIN NO. 2024-04**

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**TO: ALL PREPAID VISION PLAN ORGANIZATIONS**

**RE: HOUSE BILL 1979**

**FROM: GLEN MULREADY, INSURANCE COMMISSIONER**

**DATE: August 13, 2024**

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The purpose of this bulletin is to inform all Prepaid Vision Plan Organizations subject to the jurisdiction of the Insurance Commissioner of the legislative changes related to the licensing requirements encompassed in House Bill 1979. **Disclaimer:** *The following overview does not include every legislative change made pursuant to HB 1979. Please view all changes on the Oklahoma Supreme Court Network (OSCN) webpage.*

House Bill 1979 was enacted on May 30, 2024, and is codified at 36 O.S. §§ 6972 - 6985.

On or before February 1, 2025, every prepaid vision plan organization operating in the state of Oklahoma shall submit an application for a certificate of authority to the Insurance Commissioner. Each applicant may continue operating as an organization until the Commissioner approves the application. An application for a certificate of authority to operate as a prepaid vision plan organization shall be electronically filed, along with any transaction or other applicable fees, through OPTins. Information regarding registration to OPTins can be found at <https://content.naic.org/industry/optins>.

The application for a certificate of authority shall be accompanied by:

1. A copy of any documents of the organization of the applicant, such as the articles of incorporation, articles of association, partnership agreement, trust agreement, or other applicable documents, with all amendments to the documents;
2. A copy of any bylaws, rules, regulations, or similar documents regulating the conduct of the internal affairs of the applicant;
3. A list of the names, addresses, and official positions of the persons who are responsible for the conduct of the business affairs of the applicant, including all members of the board of directors, board of trustees, executive committee, or other governing board or committee, and the principal officers, in the case of a corporation, or the partners or members in the case of a partnership or association;

4. A copy of the form of any contract made or to be made between any providers of vision services or persons listed in paragraph 3 and the applicant;
5. A statement generally describing the prepaid vision plan organization, the facilities, personnel of the organization, and prepaid vision plans offered by the organization;
6. A copy of the form of individual or group coverage or a copy of any form of evidence of coverage to be issued to enrollees;
7. Financial statements showing assets, liabilities, and sources of financial support of the applicant. If the financial affairs of the applicant are audited by independent certified public accountants, a copy of the most recent regular certified financial statement for the applicant shall satisfy the requirement of this paragraph unless the Commissioner determines that additional or more recent financial information is required;
8. A description of the proposed method of marketing the prepaid vision plan, a financial prospectus that includes a three-year projection of the initial operating results anticipated, and a statement as to the sources of working capital available for the operation of the prepaid vision plan and any other source of funding;
9. A power of attorney, duly executed by the applicant if not domiciled in this state, appointing the Commissioner as the true and lawful representative for service of process for the applicant in this state upon whom all lawful process in any legal action or proceeding against the prepaid vision plan organization on a cause of action arising in this state may be served; and
10. A fee of One Hundred Dollars (\$100.00) for issuance of a certificate of authority;

The initial application for a certificate of authority will be subject to the following additional fees pursuant to 36 O.S. § 321:

1. Issuance of a Certificate of Authority: Fifty Dollars (\$50.00);<sup>1</sup>
2. Filing appointment of Insurance Commissioner as agent for service of process: Ten Dollars (\$10.00);
3. Pending Company Review: One Thousand Dollars (\$1,000.00).

Any modifications of information previously furnished during the application shall be filed within ten (10) days following any such modification.

A filing of a fidelity bond that is in its own name on its officers and employees in the amount of not less than Fifty Thousand Dollars (\$50,000.00) is required.

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<sup>1</sup> To remedy the difference in the language of HB 1979, which states that a fee for issuance of a COA shall be \$100, and the language of 36 O.S. § 321, which states that the issuance of a COA from the OID shall be \$150, an additional \$50 fee will be applied at issuance.

Every enrollee of a prepaid vision plan shall be issued a coverage policy by the prepaid vision plan organization. No policy for coverage or amendment to the policy shall be issued or delivered to any person in this state until a copy of the policy for coverage or amendment to the policy has been filed with and approved by the Insurance Commissioner.

No advertising or sales material relating to prepaid vision plan organization shall be issued or delivered to any person in this state until a copy of the material has been filed with and approved by the Insurance Commissioner.

All required policy forms and advertising materials shall be electronically filed through the SERFF portal at [www.SERFF.com](http://www.SERFF.com).

On or before March 1 of each calendar year, every prepaid vision plan organization offering coverage in this state shall file with the Insurance Commissioner a report of the business activities of the organization for the preceding calendar year. The report shall contain a notarized signature of at least two principal officers of the corporation or members of the entity.

The report submitted shall be in the form and manner as prescribed in the NAIC Annual Statement Filings and shall include:

1. A financial statement of the organization, including a copy of the balance sheet, receipts, and disbursements of the organization for the subject year, certified by an independent certified public accountant. The Commissioner may accept a full report of the most recent examination of a foreign prepaid vision plan, certified by the appropriate examining official of another state;
2. Any material changes in the information required to be provided as stated above, and pursuant to 36 O.S. 6977(D);
3. The number of persons who have enrolled in plans offered by the organization during the preceding year, the total number of enrollees of each plan as of the end of the year, and the number of enrollments terminated during the year;
4. The costs of all care provided and the number of enrollees who received care pursuant to the provisions of the prepaid vision plan and
5. Any other information relating to the performance of the prepaid vision plan organization deemed necessary by the Commissioner.

The NAIC report template and information regarding registration with the NAIC can be found at [https://content.naic.org/industry\\_financial\\_filing.htm](https://content.naic.org/industry_financial_filing.htm)

A certificate of authority shall expire at midnight on June 30 following the date of issuance or the most recent renewal date and annually on June 30 thereafter. The certificate of authority may be renewed if the prepaid vision plan organization remains in statutory compliance and pays a renewal fee of One Hundred Dollars (\$100.00), in addition to any other applicable fees as notated

in 36 O.S. § 321<sup>2</sup>. Annual fees shall be paid through OPTins. Information regarding registration to OPTins can be found at <https://content.naic.org/industry/optins>.

For implementation purposes of HB 1979, circumstances may arise in which a prepaid vision plan must submit forms or advertising materials to other state agencies prior to licensure with the OID to meet other statutory deadlines. Such circumstances will be handled on a case-by-case basis; however, notice must be given to the OID.

While this Bulletin is limited to the licensure requirements of prepaid vision plans, which do not apply to fully insured plans, there are statutory provisions of HB 1979 that fully insured plans should review and comply with.

Questions concerning this bulletin should be directed to the Oklahoma Insurance Department's Legal Division at 405-522-4805 or by email to [Tyler.Trammell@oid.ok.gov](mailto:Tyler.Trammell@oid.ok.gov). Any questions concerning the filing of policy forms and/or advertising materials through SERFF may be directed towards Kurt Cagle, [Kurt.Cagle@oid.ok.gov](mailto:Kurt.Cagle@oid.ok.gov). Any questions relating to application filings, surety bonds, or annual reports may be directed to Diane Carter, [Diane.Carter@oid.ok.gov](mailto:Diane.Carter@oid.ok.gov).

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<sup>2</sup> To remedy the difference in the language of HB 1979, which states that a fee for renewal of a COA shall be \$100, and the language of 36 O.S. § 321, which states that the issuance of a COA from the OID shall be \$150, an additional \$50 fee will be applied at renewal.