

Bill Summary
1st Session of the 59th Legislature

Bill No.:	SB 548
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Author:	Sen. Montgomery
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Bill Analysis

SB 548 creates the Prepaid Vision Plan Act. The measure requires each person or entity offering a prepaid vision plan to obtain a certificate of authority from the Insurance Commissioner on or before February 1, 2024. Each application shall be accompanied by a \$50,000.00 fidelity bond taken by each officer responsible for conducting the business affairs of the prepaid vision plan organization. Each certificate shall expire on June 30 of each year unless the business pays the \$100.00 fee for renewal of the certificate. Each plan shall have 20 days to respond to any inquiry made by the Commissioner. The measure also requires each organization to submit a report of the business activities of the organization for the preceding calendar year on or before March 1 of each year.

The measure also requires the plan to maintain an equity of 2% of the organization's annual gross premium income, up to a maximum of the required capital and surplus of an accident and health insurance policy if such an amount is greater than \$50,000.00. If expenses are greater than \$50,000.00, the organization shall maintain equity equal to 25% of the uncovered expense in excess of \$50,000.00. In no case shall the deposit amount placed with the Commissioner exceed \$100,000.00. The Commissioner may waive the deposit amount if prepaid vision plan organization has a net equity of at least \$5 million. Additionally, the organization shall maintain a reserve equal to or exceeding \$500,000.00.

The measure requires each plan to provide its members with a statement showing the plan's services, limitations on services, how to obtain services, and the obligations of members. Any member of a prepaid vision plan shall be free to select any licensed vision practitioner to provide vision services.

The measure provides that the Commissioner may suspend or revoke a certificate for cause as outlined in the measure. Any organization that had its license suspended or revoked shall have the right to a hearing as provided in the Administrative Procedures Act. The Commissioner may also issue a fine of \$1,000.00 per violation. No advertising or sales material relating to a 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, who shall respond within 30 days of the submission.

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