

THE FLORIDA SENATE  
2026 SUMMARY OF LEGISLATION PASSED  
**Committee on Banking and Insurance**

**CS/CS/SB 1028 — Citizens Property Insurance Corporation**

by Fiscal Policy Committee; Banking and Insurance Committee; and Senator Gruters

The bill requires Citizens Property Insurance Corporation (Citizens) to establish clearinghouses to facilitate the diversion of applicants for commercial lines coverage and existing commercial lines policyholders away from Citizens and towards authorized insurers or, if there is no offer from an authorized insurer, surplus lines insurers.

Citizens must, by January 1, 2027, establish two separate clearinghouses, one where authorized insurers—insurers authorized by the Office of Insurance Regulation (OIR) to operate in this state—may offer commercial lines coverage to commercial lines residential and commercial lines nonresidential risks, and a second clearinghouse where surplus lines insurers—unauthorized insurers who are made eligible by OIR to offer insurance coverage to risks that cannot obtain offers from authorized insurers—may offer coverage to such risks. The bill exempts Citizens from establishing a commercial clearinghouse for which there is insufficient commercial support until such time there is sufficient commercial support.

Under the clearinghouse process established by the bill, before Citizens binds or renews commercial coverage, it must require all new applications for Citizens coverage and all policies due for renewal to be initially submitted to the commercial clearinghouse for authorized insurance where authorized insurers may offer coverage to the risk. A commercial lines residential risk is ineligible for Citizens coverage upon receiving an offer of comparable coverage from an authorized insurer that is not more than 20 percent greater than the cost of Citizens coverage. A commercial lines nonresidential risk is ineligible for Citizens upon receiving any offer of coverage from an authorized insurer. If within five business days no authorized insurer makes an offer of coverage that would render the risk ineligible for Citizens, the risk is then submitted to the commercial lines clearinghouse for surplus lines insurance. A commercial lines residential risk or a commercial lines nonresidential risk is ineligible for Citizens upon receiving an offer of comparable coverage from an approved surplus lines clearinghouse insurer if the total cost of coverage is not more than 15 percent greater than the total cost of Citizens coverage. The bill defines “comparable coverage,” for purposes of commercial lines insurance, as coverage that is equivalent to or better than coverage from Citizens as to all aspects of such coverage, as determined by Citizens through the clearinghouse process and applicable program standards. Administrative, procedural, and other such terms and conditions may not be considered when assessing comparable coverage.

Each commercial clearinghouse must be operated by a clearinghouse administrator that meets certain criteria. Citizens must select a clearinghouse administrator for each commercial clearinghouse within 90 days of the effective date of this act. Citizens may provide funds to operate the personal lines clearinghouse and the commercial lines clearinghouse for authorized insurance. The bill specifies that insurers and agents participating in those clearinghouses are not required to pay fees to fund or use those clearinghouses. For purposes of establishing the commercial lines clearinghouse for surplus lines insurance, Citizens may contract with

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individuals or entities in accordance with s. 287.057, F.S., which provides the competitive solicitation and procurement process for state agencies. Citizens may not fund the infrastructure or operations of the commercial lines clearinghouse for surplus lines insurance or any of its components, but must fund and operate its own technology, systems, interfaces, or applications necessary to access and interface with the commercial lines clearinghouse for surplus lines insurance.

Any authorized insurer may participate in the commercial lines clearinghouse for authorized insurance, but only approved surplus lines clearinghouse insurers may participate in the commercial lines clearinghouse for surplus lines insurance. An approved surplus lines clearinghouse insurer must have: a financial strength rating of A- or higher and a financial size category of A-VII or higher from A.M. Best Company; be recommended for participation by the clearinghouse administrator; and be verified by OIR as meeting clearinghouse program standards.

The OIR must initially, and annually thereafter, review and approve the Citizens clearinghouse program through a final order. The OIR must specifically approve the applicable program standards, procedural rules, contractual agreements relating to the program (between any combination of Citizens, any commercial lines clearinghouse administrator, or any approved surplus lines clearinghouse insurer), the operational processes used by any commercial lines clearinghouse administrator to determine comparable coverage for whether an offer of coverage makes a risk ineligible for Citizens coverage, and controls relating to data and proprietary business information. Any changes to the foregoing standards are also subject to OIR approval.

The bill also provides that:

- Citizens must submit to the clearinghouse administrator of the commercial lines clearinghouse for surplus lines insurance its coverage terms and conditions, deductible structures, total cost of coverage for the risk, and the premium charged for the risk; the clearinghouse administrator must then disclose the total cost of insurance coverage to participating approved surplus lines clearinghouse insurers making an offer of comparable coverage.
- Citizens must share risk exposure and policy information with the clearinghouse administrator for the commercial lines clearinghouse for surplus lines insurance, which the clearinghouse administrator may share with approved surplus lines clearinghouse insurers for underwriting evaluation, although any risk information shared with such insurers for purposes other than a submission of coverage for a specific risk must be aggregated and de-identified.
- A surplus lines agent that enters into a limited agency or broker agreement with an approved surplus lines clearinghouse insurer making an offer of coverage through the program must also enter into a limited agency or broker agreement with each producing agent for the customer.
- Approved surplus lines clearinghouse insurers must, when coverage is placed through the clearinghouse, pay a specified commission to the surplus lines agent placing the risk; the surplus lines agent placing the risk must pay the producing agent a commission that

results in an effective commission percentage at least equal to that published by Citizens and in effect on January 1, 2026.

- The notice of nonrenewal requirements of s. 627.4133, F.S., do not apply when a policy is nonrenewed by Citizens because the risk received an offer of coverage from an approved surplus liens clearinghouse insurer that renders a risk ineligible for Citizens, however, the risk will remain eligible for Citizens unless within five days after such coverage offer is made, the clearinghouse administrator gives the first-named insured written notice of nonrenewal stating the reason the policy is not being renewed.
- Citizens may not apply discretionary rate adjustments to specific risks submitted to the commercial lines clearinghouse for surplus lines insurance.
- The Citizens clearinghouse statute does not authorize rebates or any activity that violates the Unfair Insurance Trade Practices Act, and Citizens and each commercial lines clearinghouse administrator must implement procedure to ensure that participating insurers and agents are not induced to violate the Unfair Insurance Trade Practices Act.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect upon becoming law.

*Vote: Senate 33-1; House 88-19*