

Amendment No.

CHAMBER ACTION

Senate

House

.

Representative Nelson offered the following:

**Amendment to Amendment (648292) (with title amendment)**

Between lines 4 and 5 of the amendment, insert:

Section 44. Section 627.3518, Florida Statutes, is created to read:

627.3518 Citizens Property Insurance Corporation policyholder eligibility clearinghouse program.—The purpose of this section is to provide a framework for the corporation to implement a clearinghouse program by January 1, 2014.

(1) As used in this section, the term:

(a) "Corporation" means Citizens Property Insurance Corporation.

(b) "Exclusive agent" means any licensed insurance agent that has, by contract, agreed to act exclusively for one company or group of affiliated insurance companies and is disallowed by

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17 the provisions of that contract to directly write for any other  
18 unaffiliated insurer absent express consent from the company or  
19 group of affiliated insurance companies.

20 (c) "Independent agent" means any licensed insurance agent  
21 not described in paragraph (b).

22 (d) "Program" means the clearinghouse created under this  
23 section.

24 (2) In order to confirm eligibility with the corporation  
25 and to enhance access of new applicants for coverage and  
26 existing policyholders of the corporation to offers of coverage  
27 from authorized and surplus lines insurers, the corporation  
28 shall establish a program for personal residential risks in  
29 order to facilitate the diversion of ineligible applicants and  
30 existing policyholders from the corporation into the voluntary  
31 insurance market. The corporation shall also develop appropriate  
32 procedures for facilitating the diversion of ineligible  
33 applicants and existing policyholders for commercial residential  
34 coverage into the private insurance market and shall report such  
35 procedures to the President of the Senate and the Speaker of the  
36 House of Representatives by January 1, 2014.

37 (3) The corporation board shall establish the clearinghouse  
38 program as an organizational unit within the corporation. The  
39 program shall have all the rights and responsibilities in  
40 carrying out its duties as a licensed general lines agent, but  
41 may not be required to employ or engage a licensed general lines  
42 agent or to maintain an insurance agency license to carry out  
43 its activities in the solicitation and placement of insurance  
44 coverage. In establishing the program, the corporation may:

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45 (a) Require all new applications, and all policies due for  
46 renewal, to be submitted for coverage to the program in order to  
47 facilitate obtaining an offer of coverage from an authorized  
48 insurer before binding or renewing coverage by the corporation.

49 (b) Employ or otherwise contract with individuals or other  
50 entities for appropriate administrative or professional services  
51 to effectuate the plan within the corporation in accordance with  
52 the applicable purchasing requirements under s. 627.351.

53 (c) Enter into contracts with any authorized insurer to  
54 participate in the program and accept an appointment by such  
55 insurer.

56 (d) Provide funds to operate the program. Insurers and  
57 agents participating in the program are not required to pay a  
58 fee to offset or partially offset the cost of the program or use  
59 the program for renewal of policies initially written through  
60 the clearinghouse.

61 (e) Develop an enhanced application that includes  
62 information to assist private insurers in determining whether to  
63 make an offer of coverage through the program.

64 (f) For personal lines residential risks, require, before  
65 approving all new applications for coverage by the corporation,  
66 that every application be subject to a period of 2 business days  
67 when any insurer participating in the program may select the  
68 application for coverage. The insurer may issue a binder on any  
69 policy selected for coverage for a period of at least 30 days  
70 but not more than 60 days.

71 (4) Any authorized insurer may participate in the program;  
72 however, participation is not mandatory for any insurer.

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73 Insurers making offers of coverage to new applicants or renewal  
74 policyholders through the program:

75 (a) May not be required to individually appoint any agent  
76 whose customer is underwritten and bound through the program.  
77 Notwithstanding s. 626.112, insurers are not required to appoint  
78 any agent on a policy underwritten through the program for as  
79 long as that policy remains with the insurer. Insurers may, at  
80 their election, appoint any agent whose customer is initially  
81 underwritten and bound through the program. In the event an  
82 insurer accepts a policy from an agent who is not appointed  
83 pursuant to this paragraph, and thereafter elects to accept a  
84 policy from such agent, the provisions of s. 626.112 requiring  
85 appointment apply to the agent.

86 (b) Must enter into a limited agency agreement with each  
87 agent that is not appointed in accordance with paragraph (a) and  
88 whose customer is underwritten and bound through the program.

89 (c) Must enter into its standard agency agreement with each  
90 agent whose customer is underwritten and bound through the  
91 program when that agent has been appointed by the insurer  
92 pursuant to s. 626.112.

93 (d) Must comply with s. 627.4133(2).

94 (e) May participate through their single-designated  
95 managing general agent or broker; however, the provisions of  
96 paragraph (6) (a) regarding ownership, control, and use of the  
97 expirations continue to apply.

98 (f) Must pay to the producing agent a commission equal to  
99 that paid by the corporation or the usual and customary

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100 commission paid by the insurer for that line of business,  
101 whichever is greater.

102 (5) Notwithstanding s. 627.3517, any applicant for new  
103 coverage from the corporation is not eligible for coverage from  
104 the corporation, if provided an offer of coverage from an  
105 authorized insurer through the program at a premium that is at  
106 or below the eligibility threshold established in s.  
107 627.351(6)(c)5.a. Whenever an offer of coverage for a personal  
108 lines risk is received for a policyholder of the corporation at  
109 renewal from an authorized insurer through the program, if the  
110 offer is equal to or less than the corporation's renewal premium  
111 for comparable coverage, the risk is not eligible for coverage  
112 with the corporation. In the event an offer of coverage for a  
113 new applicant is received from an authorized insurer through the  
114 program, and the premium offered exceeds the eligibility  
115 threshold contained in s. 627.351(6)(c)5.a., the applicant or  
116 insured may elect to accept such coverage, or may elect to  
117 accept or continue coverage with the corporation. In the event  
118 an offer of coverage for a personal lines risk is received from  
119 an authorized insurer at renewal through the program, and the  
120 premium offered is more than the corporation's renewal premium  
121 for comparable coverage, the insured may elect to accept such  
122 coverage, or may elect to accept or continue coverage with the  
123 corporation. Any applicant for new coverage from the  
124 corporation, and policyholders of all policies for renewal, if  
125 provided an offer of coverage from a surplus lines insurer  
126 through the program, are not required to accept such offer, and  
127 may be accepted for coverage or renewed by the corporation at

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128 the applicant's or policyholder's option. Sub-sub-subparagraph  
129 627.351(6)(c)5.a.(I) does not apply to an offer of coverage from  
130 an authorized insurer obtained through the program. An applicant  
131 for coverage from the corporation who was declared ineligible  
132 for coverage by the corporation in the previous 36 months due to  
133 provisions of this section or s. 627.351(6)(c)5.a. or 5.b. shall  
134 be considered a renewal under this section if the corporation  
135 determines that the authorized insurer increased the rate on the  
136 policy in excess of the increase allowed under s. 627.351(6)(n).

137 (6) Independent insurance agents submitting new  
138 applications for coverage or that are the agent of record on a  
139 renewal policy submitted to the program:

140 (a) Are granted and must maintain ownership and the  
141 exclusive use of expirations, records, or other written or  
142 electronic information directly related to such applications or  
143 renewals written through the corporation or through an insurer  
144 participating in the program, notwithstanding s.  
145 627.351(6)(c)5.a.(I)(B) and (II)(B). Such ownership is granted  
146 for as long as the insured remains with the agency or until sold  
147 or surrendered in writing by the agent. Contracts with the  
148 corporation or required by the corporation must not amend,  
149 modify, interfere with, or limit such rights of ownership. Such  
150 expirations, records, or other written or electronic information  
151 may be used to review an application, issue a policy, or for any  
152 other purpose necessary for placing such business through the  
153 program.

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154 (b) May not be required to be appointed by any insurer  
155 participating in the program for policies written solely through  
156 the program, notwithstanding the provisions of s. 626.112.

157 (c) May accept an appointment from any insurer  
158 participating in the program.

159 (d) May enter into either a standard or limited agency  
160 agreement with the insurer, at the insurer's option.

161  
162 Applicants ineligible for coverage in accordance with subsection  
163 (5) remain ineligible if their independent agent is unwilling or  
164 unable to enter into a standard or limited agency agreement with  
165 an insurer participating in the program.

166 (7) Exclusive agents submitting new applications for  
167 coverage or that are the agent of record on a renewal policy  
168 submitted to the program:

169 (a) Must maintain ownership and the exclusive use of  
170 expirations, records, or other written or electronic information  
171 directly related to such applications or renewals written  
172 through the corporation or through an insurer participating in  
173 the program, notwithstanding s. 627.351(6)(c)5.a.(I)(B) and  
174 (II)(B). Contracts with the corporation or required by the  
175 corporation must not amend, modify, interfere with, or limit  
176 such rights of ownership. Such expirations, records, or other  
177 written or electronic information may be used to review an  
178 application, issue a policy, or for any other purpose necessary  
179 for placing such business through the program.

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180 (b) May not be required to be appointed by any insurer  
181 participating in the program for policies written solely through  
182 the program, notwithstanding the provisions of s. 626.112.

183 (c) Must only facilitate the placement of an offer of  
184 coverage from an insurer whose limited servicing agreement is  
185 approved by that exclusive agent's exclusive insurer.

186 (d) May enter into a limited servicing agreement with the  
187 insurer making an offer of coverage, and only after the  
188 exclusive agent's insurer has approved the limited servicing  
189 agreement terms. The exclusive agent's insurer must approve a  
190 limited service agreement for the program for any insurer for  
191 which it has approved a service agreement for other purposes.

192  
193 Applicants ineligible for coverage in accordance with subsection  
194 (5) remain ineligible if their exclusive agent is unwilling or  
195 unable to enter into a standard or limited agency agreement with  
196 an insurer making an offer of coverage to that applicant.

197 (8) Submission of an application for coverage by the  
198 corporation to the program does not constitute the binding of  
199 coverage by the corporation, and failure of the program to  
200 obtain an offer of coverage by an insurer may not be considered  
201 acceptance of coverage of the risk by the corporation.

202 (9) The 45-day notice of nonrenewal requirement set forth  
203 in s. 627.4133(2)(b)4.b. applies when a policy is nonrenewed by  
204 the corporation because the risk has received an offer of  
205 coverage pursuant to this section which renders the risk  
206 ineligible for coverage by the corporation.



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207       (10) The program may not include commercial nonresidential  
208 policies.

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211                               **T I T L E   A M E N D M E N T**

212       Remove line 52 of the amendment and insert:  
213       payment limitations; creating s. 627.3518, F.S.;  
214       providing purpose; providing definitions; requiring  
215       the creation of a clearinghouse program within the  
216       corporation; specifying the purposes of the program;  
217       requiring the corporation to provide a report to the  
218       Legislature; specifying certain rights and  
219       responsibilities with respect to the program;  
220       authorizing the corporation to take specified actions  
221       in establishing the program; providing conditions and  
222       requirements relating to the participation of insurers  
223       in the program; providing conditions, requirements,  
224       limitations, and procedures applicable to offers of  
225       coverage with respect to applicants for coverage with  
226       the corporation and existing policyholders of the  
227       corporation; providing requirements for certain  
228       independent insurance agents and exclusive agents with  
229       respect to submitting applications for coverage or  
230       policies for renewal to the program; providing for  
231       applicability and construction; amending s. 627.744,  
232       F.S.;