

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	_____	(Y/N)
ADOPTED AS AMENDED	_____	(Y/N)
ADOPTED W/O OBJECTION	_____	(Y/N)
FAILED TO ADOPT	_____	(Y/N)
WITHDRAWN	_____	(Y/N)
OTHER		

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1 Committee/Subcommittee hearing bill: Regulatory Affairs  
2 Committee  
3 Representative Nelson offered the following:

**Amendment (with title amendment)**

Remove everything after the enacting clause and insert:

7 Section 1. Subsection (4) of section 626.752, Florida  
8 Statutes, is amended to read:

9 626.752 Exchange of business.—

10 (4) The foregoing limitations and restrictions shall not  
11 be construed and shall not apply to the placing of surplus lines  
12 business under the provisions of part VIII or to the activities  
13 of Citizens Property Insurance Corporation, or any private  
14 alternative under s. 627.3518(8), in placing new and renewal  
15 business with authorized insurers in accordance with s.  
16 627.3518.

17 Section 2. Section 627.3518, Florida Statutes, is created  
18 to read:

19 627.3518 Citizens Property Insurance Corporation

Amendment No.

policyholder eligibility clearinghouse program.-

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

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

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

(2) In order to confirm eligibility for coverage with the corporation, and to enhance access of applicants for coverage with the corporation and access at renewal of existing policyholders of the corporation to offers of coverage from authorized insurers and eligible insurers under s. 626.918, the corporation shall establish a clearinghouse program to facilitate the diversion of ineligible applicants and existing policyholders from the corporation into the voluntary insurance market.

(3) The corporation board shall establish the clearinghouse program as an organizational unit within the corporation. The program shall have all the rights and responsibilities in carrying out its duties as a licensed general lines agent, but may not be required to employ or engage

Amendment No.

48 a licensed general lines agent or to maintain an insurance  
49 agency license to carry out its activities in the solicitation  
50 and placement of insurance coverage. In establishing the  
51 program, the corporation may:

52 (a) Require all new applications, and all policies due for  
53 renewal, to be submitted for coverage to the program or any  
54 private alternative in order to facilitate obtaining an offer of  
55 coverage from an authorized insurer before binding or renewing  
56 coverage by the corporation.

57 (b) Employ or otherwise contract with individuals or other  
58 entities for appropriate administrative or professional services  
59 to effectuate the plan within the corporation in accordance with  
60 the applicable purchasing requirements under s. 627.351.

61 (c) Enter into contracts with any authorized or eligible  
62 insurer to participate in the program and accept an appointment  
63 by such insurer.

64 (d) Provide funds to operate the program and charge a  
65 reasonable fee as a percentage of agent commission to offset, or  
66 partially offset, the costs of the program. Any fee charged as a  
67 percentage of agent commission can only be charged when there is  
68 an offer of coverage by an insurer participating in the program.  
69 Insurers participating in the program may not be required to pay  
70 a fee or use the program for renewals of any policy initially  
71 written through the program.

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

75 (f) For personal lines residential risks, require, before

Amendment No.

76 approving all new applications for coverage by the corporation,  
77 that every application be subject to a period of two business  
78 days when any insurer participating in the program may select  
79 the application for coverage. The insurer may issue a binder on  
80 any policy selected for coverage for a period of at least 30  
81 days but not more than 60 days.

82 (g) For commercial lines residential risks, require before  
83 approving all new applications for coverage by the corporation,  
84 that every application be subject to a 21-day period when any  
85 insurer participating in the program may select the application  
86 for coverage. The insurer may issue a binder on any policy  
87 selected for coverage for a period of at least 30 days but not  
88 more than 60 days.

89 (h) Allow eligible insurers to participate and make offers  
90 of coverage. An offer of coverage may be made by an eligible  
91 insurer only if an authorized insurer does not make an offer of  
92 coverage through the program. Eligible insurers may offer  
93 premiums and coverages that are more favorable than those  
94 offered in the corporation, and agents are not required to  
95 compile three declinations from authorized insurers before  
96 binding coverage with an eligible insurer.

97 (4) Any authorized or eligible insurer may participate in  
98 the program; however, participation is not mandatory for any  
99 insurer. Insurers making offers of coverage to new applicants or  
100 renewal policyholders through the program:

101 (a) May not be required to individually appoint any agent  
102 whose customer is underwritten and bound through the program.

103 Notwithstanding s. 626.112, insurers are not required to appoint

Amendment No.

104 any agent on a policy underwritten through the program for as  
105 long as that policy remains with the insurer. Insurers may, at  
106 their election, appoint any agent whose customer is initially  
107 underwritten and bound through the program. In the event an  
108 insurer accepts a policy from an agent who is not appointed  
109 pursuant to this paragraph, and thereafter elects to accept a  
110 policy from such agent, the provisions of s. 626.112 requiring  
111 appointment apply to the agent.

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

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

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

120 (e) An authorized or eligible insurer participating in the  
121 program may participate through their single designated managing  
122 general agent or broker, however the provisions of paragraph  
123 (6) (a) regarding ownership, control and use of the expirations  
124 still apply.

125 (5) Notwithstanding s. 627.3517, any applicant for new  
126 coverage from the corporation is not eligible for coverage from  
127 the corporation, if provided an offer of coverage from an  
128 authorized insurer through the program at a premium that is at  
129 or below the eligibility threshold established in s.

130 627.351(6) (c) 5.a. and b. Whenever an offer of coverage for a  
131 personal lines or commercial lines risk is received for a

Amendment No.

132 policyholder of the corporation at renewal, notwithstanding any  
133 other provisions of law, if the offer is no more than 5 percent  
134 above the corporation's renewal premium for comparable coverage,  
135 the risk is not eligible for coverage with the corporation. In  
136 the event an offer of coverage for a new applicant is received  
137 from an insurer, and the premium offered exceeds the eligibility  
138 threshold contained in s. 627.351(6)(c)5.a. and b., the  
139 applicant or insured may elect to accept such coverage, or may  
140 elect to accept or continue coverage with the corporation. In  
141 the event an offer of coverage for a personal lines or  
142 commercial lines risk is received from an insurer at renewal,  
143 and the premium offered is more than 5 percent above the  
144 corporation's renewal premium for comparable coverage, the  
145 insured may elect to accept such coverage, or may elect to  
146 accept or continue coverage with the corporation. Any applicant  
147 for new coverage from the corporation, and policyholders of all  
148 policies for renewal, if provided an offer of coverage from an  
149 eligible insurer, are not required to accept such offer, and may  
150 be accepted for coverage or renewed by the corporation at the  
151 applicant's or policyholder's option. Sub-sub-subparagraphs  
152 627.351(6)(c)5.a.(I) and b.(I) do not apply to an offer of  
153 coverage from an authorized insurer obtained through the  
154 program.

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

158 (a) Must maintain ownership and the exclusive use of  
159 expirations, records, or other written or electronic information

Amendment No.

160 directly related to such applications or renewals written  
161 through the corporation or through an insurer participating in  
162 the program, notwithstanding s. 627.351(6) (c) 5.a. (I) (B) and  
163 (II) (B). Contracts with the corporation or required by the  
164 corporation must not amend, modify, interfere with, or limit  
165 such rights of ownership. Such expirations, records, or other  
166 written or electronic information may be used to review an  
167 application, issue a policy, or for any other purpose necessary  
168 for placing such business through the program.

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

172 (c) May accept an appointment from any insurer  
173 participating in the program.

174 (d) Must enter into either a standard or limited agency  
175 agreement with the insurer, at the insurer's option.

176 (e) Applicants ineligible for coverage in accordance with  
177 paragraph (5) remain ineligible if their independent agent is  
178 unwilling or unable to enter into a standard or limited agency  
179 agreement with an insurer participating in the program.

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

183 (a) Must maintain ownership and the exclusive use of  
184 expirations, records, or other written or electronic information  
185 directly related to such applications or renewals written  
186 through the corporation or through an insurer participating in  
187 the program, notwithstanding s. 627.351(6) (c) 5.a. (I) (B) and

Amendment No.

188 (II) (B). Contracts with the corporation or required by the  
189 corporation must not amend, modify, interfere with, or limit  
190 such rights of ownership. Such expirations, records, or other  
191 written or electronic information may be used to review an  
192 application, issue a policy, or for any other purpose necessary  
193 for placing such business through the program.

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

197 (c) Must accept an offer of coverage from any insurer  
198 whose limited servicing agreement is approved by that agent's  
199 exclusive insurer as eligible to participate in the program with  
200 that insurer's exclusive agents. Applicants ineligible for  
201 coverage in accordance with paragraph (5) remain ineligible if  
202 their exclusive agent is unwilling or unable to enter into a  
203 standard or limited agency agreement with an insurer making an  
204 offer of coverage to that applicant.

205 (d) Must enter into only a limited servicing agreement  
206 with the insurer making an offer of coverage, and only after the  
207 exclusive agent's insurer has approved the limited servicing  
208 agreement terms. The exclusive agent's insurer must approve a  
209 limited service agreement for the program for any insurer for  
210 which it has approved a service agreement for other purposes.

211 (8) To promote private market initiatives to obtain offers  
212 of coverage from authorized and eligible insurers for applicants  
213 for coverage by the corporation and the corporation's  
214 policyholders on renewal, the corporation shall, by January 1,  
215 2014, publish reasonable standards for the recognition of



Amendment No.

216 private alternatives to the submission of a risk to the program.  
217 Such private alternatives to the program may act in a master  
218 agency arrangement for producing agents who may be appointed as  
219 subagents of the master agency using such private alternatives  
220 for the submission of risks to the program. The alternative  
221 option permitted under this subsection is an alternative and not  
222 a replacement for the program established under this section.  
223 Neither the program nor any private entity operating under this  
224 subsection may prohibit insurers that elect to participate from  
225 participating in more than one program or alternative; however,  
226 any insurer participating in the private entity must also  
227 participate in the program.

228 (9) Submission of an application for coverage by the  
229 corporation to the program does not constitute the binding of  
230 coverage by the corporation, and failure of the program to  
231 obtain an offer of coverage by an insurer may not be considered  
232 acceptance of coverage of the risk by the corporation.

233 (10) The program shall not include commercial non-  
234 residential policies.

235 Section 3. This act shall take effect July 1, 2013.

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

239 Remove everything before the enacting clause and insert:  
240 An act relating to the establishment of a  
241 clearinghouse program within the Citizens Property  
242 Insurance Corporation; amending s. 626.752, F.S.;

243 exempting Citizens Property Insurance Corporation or

Amendment No.

244 any private alternative from exchange of business  
245 limitations and restrictions when placing business  
246 with authorized insurers; creating s. 627.3518, F.S.;  
247 providing definitions; requiring the creation of a  
248 clearinghouse program within the corporation;  
249 specifying the purposes of the program; specifying  
250 certain rights and responsibilities with respect to  
251 the program; authorizing the corporation to take  
252 specified actions in establishing the program;  
253 providing conditions and requirements relating to the  
254 participation of insurers in the program; providing  
255 conditions, requirements, limitations, and procedures  
256 applicable to offers of coverage with respect to  
257 applicants for coverage with the corporation and  
258 existing policyholders of the corporation; providing  
259 requirements for certain independent insurance agents  
260 and exclusive agents with respect to submitting  
261 applications for coverage or policies for renewal to  
262 the program; requiring the corporation to publish  
263 standards by a certain date for recognition of private  
264 entities as an alternative option to submitting risks  
265 to the program; providing conditions and requirements  
266 relating to such alternative options; providing for  
267 construction; providing an effective date.