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LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
03/11/2014	.	
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The Committee on Banking and Insurance (Clemens) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 472 - 636

and insert:

Section 4. Subsection (2), subsection (5), paragraph (a) of subsection (6), and paragraph (a) of subsection (7) of section 627.3518, Florida Statutes, are amended 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



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11 implement a clearinghouse program by January 1, 2014.

12 (2) In order to confirm eligibility with the corporation  
13 and to enhance the access of new applicants for coverage and  
14 existing policyholders of the corporation to offers of coverage  
15 from authorized insurers, the corporation shall establish a  
16 program for personal residential risks in order to facilitate  
17 the diversion of ineligible applicants and existing  
18 policyholders ~~from the corporation~~ into the voluntary insurance  
19 market. The corporation shall also develop appropriate  
20 procedures for facilitating the diversion of ineligible  
21 applicants and existing policyholders for commercial residential  
22 coverage into the private insurance market and implement these  
23 procedures by October 1, 2015 ~~shall report such procedures to~~  
24 ~~the President of the Senate and the Speaker of the House of~~  
25 ~~Representatives by January 1, 2014.~~

26 (5) Notwithstanding s. 627.3517, an ~~any~~ applicant for new  
27 coverage from the corporation is not eligible for coverage from  
28 the corporation if provided an offer of coverage from an  
29 authorized insurer through the program at a premium that is at  
30 or below the eligibility threshold established in s.  
31 627.351(6)(c)5.a. or (c)5.b. Whenever an offer of coverage for a  
32 personal lines or commercial lines residential risk is received  
33 for a policyholder of the corporation at renewal from an  
34 authorized insurer through the program, if the offer is equal to  
35 or less than the corporation's renewal premium for comparable  
36 coverage, the risk is not eligible for coverage with the  
37 corporation. If ~~In the event~~ an offer of coverage for a new  
38 applicant is received from an authorized insurer through the  
39 program, and the premium offered exceeds the eligibility



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40 threshold contained in s. 627.351(6)(c)5.a. or (c)5.b., the  
41 applicant or insured may elect to accept such coverage, or may  
42 elect to accept or continue coverage with the corporation. If ~~In~~  
43 ~~the event~~ an offer of coverage for a personal lines or  
44 commercial lines residential risk is received from an authorized  
45 insurer at renewal through the program, ~~and~~ if the premium  
46 offered is more than the corporation's renewal premium for  
47 comparable coverage, the insured may elect to accept such  
48 coverage, ~~or may elect~~ to accept or continue coverage with the  
49 corporation. Section 627.351(6)(c)5.a.(I) or (c)5.b.(I) does not  
50 apply to an offer of coverage from an authorized insurer  
51 obtained through the program. An applicant for personal lines  
52 residential coverage from the corporation who was declared  
53 ineligible for coverage at renewal by the corporation in the  
54 previous 36 months due to an offer of coverage pursuant to this  
55 subsection is ~~shall be~~ considered a renewal under this section  
56 if the corporation determines that the authorized insurer making  
57 the offer of coverage pursuant to this subsection continues to  
58 insure the applicant and increased the rate on the policy in  
59 excess of the increase allowed for the corporation under s.  
60 627.351(6)(n)5 ~~627.351(6)(n)6~~.

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

64 (a) Are granted and must maintain ownership and the  
65 exclusive use of expirations, records, or other written or  
66 electronic information directly related to such applications or  
67 renewals written through the corporation or through an insurer  
68 participating in the program, notwithstanding s.



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69 627.351(6)(c)5.a.(I)(B) and (II)(B) and b.(I)(B) and (II)(B).  
70 Such ownership is granted for as long as the insured remains  
71 with the agency or until sold or surrendered in writing by the  
72 agent. Contracts with the corporation or required by the  
73 corporation must not amend, modify, interfere with, or limit  
74 such rights of ownership. Such expirations, records, or other  
75 written or electronic information may be used to review an  
76 application, issue a policy, or for any other purpose necessary  
77 for placing such business through the program.

78  
79 Applicants ineligible for coverage in accordance with subsection  
80 (5) remain ineligible if their independent agent is unwilling or  
81 unable to enter into a standard or limited agency agreement with  
82 an insurer participating in the program.

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

86 (a) Must maintain ownership and the exclusive use of  
87 expirations, records, or other written or electronic information  
88 directly related to such applications or renewals written  
89 through the corporation or through an insurer participating in  
90 the program, notwithstanding s. 627.351(6)(c)5.a.(I)(B) and  
91 (II)(B) and b.(I)(B) and (II)(B). Contracts with the corporation  
92 or required by the corporation must not amend, modify, interfere  
93 with, or limit such rights of ownership. Such expirations,  
94 records, or other written or electronic information may be used  
95 to review an application, issue a policy, or for any other  
96 purpose necessary for placing such business through the program.

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

102

103 ===== T I T L E A M E N D M E N T =====

104 And the title is amended as follows:

105 Delete lines 30 - 43

106 and insert:

107 increase implemented by the corporation; amending s.  
108 627.3518, F.S.; requiring the corporation to implement  
109 procedures for diverting ineligible applicants and  
110 existing policyholders for commercial residential  
111 coverage from the corporation by a certain date;  
112 deleting the requirement that the corporation report  
113 such procedures to the Legislature; providing that  
114 certain offers of coverage for commercial lines  
115 residential risk offered through the clearinghouse  
116 preclude coverage by the corporation; repealing s.  
117 627.3519, F.S.,