

Amendment No. 3

COMMITTEE/SUBCOMMITTEE ACTION

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WITHDRAWN	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

1 Committee/Subcommittee hearing bill: Insurance & Banking
 2 Subcommittee

3 Representative Gregory offered the following:

4
 5 **Amendment (with title amendment)**

6 Remove lines 1597-1779 and insert:

7 3. If a policyholder receives a take-out offer from an
 8 authorized insurer, the risk is no longer eligible for coverage
 9 with the corporation unless the premium for coverage from the
 10 authorized insurer is more than the following percent greater
 11 than the renewal premium for comparable coverage from the
 12 corporation:

13 (I) Five percent for policies effective on or after January
 14 1, 2023.

15 (II) Ten percent for policies effective on or after January
 16 1, 2024.

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17 (III) Fifteen percent for policies effective on or after
18 January 1, 2025.

19 (IV) Twenty percent for policies effective on or after
20 January 1, 2026 and in all subsequent years.

21 ~~43.~~ The corporation must provide written notice to the
22 policyholder and the agent of record regarding all insurers
23 requesting to take out the policy, which ~~and regarding the~~
24 ~~policyholder's option to accept a take-out offer or to reject~~
25 ~~all take-out offers and to remain with the corporation. The~~
26 ~~notice~~ must be in a format prescribed by the corporation and
27 include, for each take-out offer:

- 28 a. The amount of the estimated premium;
29 b. A description of the coverage; and
30 c. A comparison of the estimated premium and coverage
31 offered by the insurer to the estimated premium and coverage
32 provided by the corporation.

33 Section 3. Section 627.3517, Florida Statutes, is amended
34 to read:

35 627.3517 Consumer choice.—No provision of s. 627.351, s.
36 627.3511, or s. 627.3515 shall be construed to impair the right
37 of any insurance risk apportionment plan policyholder, upon
38 receipt of any keep-out ~~keepout~~ or take-out offer, to retain his
39 or her current agent, so long as that agent is duly licensed and
40 appointed by the insurance risk apportionment plan or otherwise

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41 authorized to place business with the insurance risk
42 apportionment plan. This right may ~~shall~~ not be canceled,
43 suspended, impeded, abridged, or otherwise compromised by any
44 rule, plan of operation, or depopulation plan, whether through
45 keep-out ~~keepout~~, take-out, midterm assumption, or any other
46 means, of any insurance risk apportionment plan or depopulation
47 plan, including, but not limited to, those described in s.
48 627.351, s. 627.3511, or s. 627.3515. The commission shall adopt
49 any rules necessary to cause any insurance risk apportionment
50 plan or market assistance plan under such sections to
51 demonstrate that the operations of the plan do not interfere
52 with, promote, or allow interference with the rights created
53 under this section. If the policyholder's current agent is
54 unable or unwilling to be appointed with the insurer making the
55 take-out or keep-out ~~keepout~~ offer, the policyholder is ~~shall~~
56 not ~~be~~ disqualified from participation in the appropriate
57 insurance risk apportionment plan because of an offer of
58 coverage in the voluntary market. An offer of full property
59 insurance coverage by the insurer currently insuring either the
60 ex-wind or wind-only coverage on the policy to which the offer
61 applies is ~~shall~~ not ~~be~~ considered a take-out or keep-out
62 ~~keepout~~ offer. Any rule, plan of operation, or plan of
63 depopulation, through keep-out ~~keepout~~, take-out, midterm
64 assumption, or any other means, of any property insurance risk
65 apportionment plan under s. 627.351(2) or (6) is subject to ss.

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66 627.351(2)(b) and (6)(c) and 627.3511(4).

67 Section 4. Section 627.3518, Florida Statutes, is amended
68 to read:

69 627.3518 Citizens Property Insurance Corporation
70 policyholder eligibility clearinghouse program. ~~The purpose of
71 this section is to provide a framework for the corporation to
72 implement a clearinghouse program by January 1, 2014.~~

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

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

76 (b) "Exclusive agent" means any licensed insurance agent
77 that has, by contract, agreed to act exclusively for one company
78 or group of affiliated insurance companies and is disallowed by
79 the provisions of that contract to directly write for any other
80 unaffiliated insurer absent express consent from the company or
81 group of affiliated insurance companies.

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

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

86 (2) In order to confirm eligibility with the corporation
87 and to enhance access of new applicants for coverage and
88 existing policyholders of the corporation to offers of coverage
89 from authorized insurers, the corporation shall establish a
90 program for personal residential risks in order to facilitate

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91 the diversion of ineligible applicants and existing
92 policyholders from the corporation into the voluntary insurance
93 market. The corporation shall also develop appropriate
94 procedures for facilitating the diversion of ineligible
95 applicants and existing policyholders for commercial residential
96 coverage into the private insurance market ~~and shall report such~~
97 ~~procedures to the President of the Senate and the Speaker of the~~
98 ~~House of Representatives by January 1, 2014.~~

99 (3) The corporation board shall establish the
100 clearinghouse program as an organizational unit within the
101 corporation. The program shall have all the rights and
102 responsibilities in carrying out its duties as a licensed
103 general lines agent, but may not be required to employ or engage
104 a licensed general lines agent or to maintain an insurance
105 agency license to carry out its activities in the solicitation
106 and placement of insurance coverage. In establishing the
107 program, the corporation may:

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

112 (b) Employ or otherwise contract with individuals or other
113 entities for appropriate administrative or professional services
114 to effectuate the plan within the corporation in accordance with
115 the applicable purchasing requirements under s. 627.351.

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116 (c) Enter into contracts with any authorized insurer to
117 participate in the program and accept an appointment by such
118 insurer.

119 (d) Provide funds to operate the program. Insurers and
120 agents participating in the program are not required to pay a
121 fee to offset or partially offset the cost of the program or use
122 the program for renewal of policies initially written through
123 the clearinghouse.

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

127 (f) For personal lines residential risks, require, before
128 approving all new applications for coverage by the corporation,
129 that every application be subject to a period of 2 business days
130 when any insurer participating in the program may select the
131 application for coverage. The insurer may issue a binder on any
132 policy selected for coverage for a period of at least 30 days
133 but not more than 60 days.

134 (4) Any authorized insurer may participate in the program;
135 however, participation is not mandatory for any insurer.
136 Insurers making offers of coverage to new applicants or renewal
137 policyholders through the program:

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

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140 Notwithstanding s. 626.112, insurers are not required to appoint
141 any agent on a policy underwritten through the program for as
142 long as that policy remains with the insurer. Insurers may, at
143 their election, appoint any agent whose customer is initially
144 underwritten and bound through the program. In the event an
145 insurer accepts a policy from an agent who is not appointed
146 pursuant to this paragraph, and thereafter elects to accept a
147 policy from such agent, the provisions of s. 626.112 requiring
148 appointment apply to the agent.

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

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

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

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

161 (f) Must pay to the producing agent a commission equal to
162 that paid by the corporation or the usual and customary
163 commission paid by the insurer for that line of business,
164 whichever is greater.

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165 (5) Notwithstanding s. 627.3517, any applicant for new
166 coverage from the corporation is not eligible for coverage from
167 the corporation if provided an offer of coverage from an
168 authorized insurer through the program at a premium that is at
169 or below the eligibility threshold established in s.
170 627.351(6)(c)5.a. Whenever an offer of coverage for a personal
171 lines risk is received for a policyholder of the corporation at
172 renewal from an authorized insurer through the program, ~~if the~~
173 ~~offer is equal to or less than the corporation's renewal premium~~
174 ~~for comparable coverage,~~ the risk is not eligible for coverage
175 with the corporation if the offer is at or below the eligibility
176 threshold specified in s. 627.351(6)(c)5.a. In the event that an
177 offer of coverage for a new applicant is received from an
178 authorized insurer through the program, and the premium offered
179 exceeds the eligibility threshold specified ~~contained~~ in s.
180 627.351(6)(c)5.a., the applicant or insured may elect to accept
181 such coverage, or may elect to accept or continue coverage with
182 the corporation. In the event that an offer of coverage for a
183 personal lines risk is received from an authorized insurer at
184 renewal through the program, and the premium offered is at or
185 below the eligibility threshold specified in s.
186 627.351(6)(c)5.a. ~~more than the corporation's renewal premium~~
187 ~~for comparable coverage,~~ the insured is not eligible to ~~may~~
188 ~~elect to accept such coverage, or may elect to accept or~~
189 continue coverage with the corporation. Section

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190 627.351(6)(c)5.a.(I) does not apply to an offer of coverage from
191 an authorized insurer obtained through the program. ~~An applicant~~
192 ~~for coverage from the corporation who was declared ineligible~~
193 ~~for coverage at renewal by the corporation in the previous 36~~
194 ~~months due to an offer of coverage pursuant to this subsection~~
195 ~~shall be considered a renewal under this section if the~~
196 ~~corporation determines that the authorized insurer making the~~
197 ~~offer of coverage pursuant to this subsection continues to~~
198 ~~insure the applicant and increased the rate on the policy in~~
199 ~~excess of the increase allowed for the corporation under s.~~
200 ~~627.351(6)(n)5.~~

201

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203

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

205

Remove lines 39-47 and insert:

206

record status; making technical changes; revising eligibility

207

for the corporation when insurers request to take out a policy;

208

revising the notice that must be provided by the corporation

209

when insurers request to take out a policy; amending s.

210

627.3517, F.S.; making technical changes; amending s. 627.3518,

211

F.S.; deleting obsolete provisions relating to the purpose of

212

the corporation's clearinghouse program and reporting

213

requirements; revising procedures for determining eligibility of

214

a risk for coverage with the corporation; revising renewal

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 1307 (2022)

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215 | status after insurers request to take out a policy; providing an
216 | effective