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LEGISLATIVE ACTION

Senate

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House

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Senator Gruters moved the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraph (oo) is added to subsection (6) of
section 627.351, Florida Statutes, to read:

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

(oo) For commercial residential and commercial
nonresidential risks submitted through the commercial lines
clearinghouse pursuant to s. 627.3518, if an approved surplus



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12 lines clearinghouse insurer offers comparable coverage as
13 defined in s. 627.3518(1) and the total cost of insurance
14 coverage for the specific risk is not more than 15 percent
15 greater than the corporation's total cost of insurance coverage
16 for the specific risk, the corporation may not issue new
17 coverage unless otherwise provided in s. 627.3518(10). For
18 purposes of this paragraph, the term "total cost of insurance
19 coverage for the specific risk" means the aggregate annual
20 premium, plus all fees, taxes, assessments, surcharges, and any
21 other mandatory charges that a policyholder must pay to maintain
22 coverage for the entirety of the proposed policy period.

23 Section 2. Section 627.3518, Florida Statutes, is amended
24 to read:

25 627.3518 Citizens Property Insurance Corporation
26 policyholder eligibility clearinghouse program.—The purpose of
27 this section is to provide a framework for the corporation to
28 implement a clearinghouse program ~~by January 1, 2014.~~

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

30 (a) "Applicable program standards" means the insurer
31 participation eligibility criteria, contractual requirements,
32 and account clearance requirements the commercial lines
33 clearinghouse administrator and the corporation deem necessary
34 to ensure an orderly process for offers of comparable coverage
35 to be provided by approved surplus lines clearinghouse insurers.

36 (b) "Approved surplus lines clearinghouse insurer" means an
37 eligible surplus lines insurer pursuant to s. 626.918 which has
38 a financial strength rating of "A-" or higher and a financial
39 size category of A-VII or higher from A.M. Best Company which
40 the clearinghouse administrator recommends for participation in



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41 the program and which the office verifies meets the applicable
42 program standards for participation in the program within 30
43 business days after the commercial lines clearinghouse
44 administrator's recommendation. If the office does not complete
45 such verification within the 30-business-day period, the insurer
46 is deemed verified for purposes of participation in the program.

47 (c) "Authorized insurer" means an insurer authorized to act
48 as an insurer by a subsisting certificate of authority issued to
49 the insurer by the office.

50 (d) "Commercial lines clearinghouse administrator" means an
51 individual or entity employed or otherwise contracted by the
52 corporation to provide administrative or professional services
53 to implement the commercial lines clearinghouse for authorized
54 insurance or the commercial lines clearinghouse for surplus
55 lines insurance within the corporation as set forth in paragraph
56 (3) (b) .

57 (e) "Commercial lines clearinghouse for authorized
58 insurance" means the clearinghouse program established under
59 subparagraph (2) (b) 2.

60 (f) "Commercial lines clearinghouse for surplus lines
61 insurance" means the clearinghouse program established under
62 subparagraph (2) (b) 1.

63 (g) "Comparable coverage" means, for purposes of the
64 commercial lines clearinghouse for authorized insurance and the
65 commercial lines clearinghouse for surplus lines insurance,
66 coverage that is equivalent to or better than coverage from the
67 corporation as to all aspects of such coverage, as determined by
68 the corporation through the clearinghouse process and applicable
69 program standards. Administrative, procedural, and other such



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70 terms and conditions may not be considered when assessing
71 comparable coverage.

72 (h) "Corporation" means the Citizens Property Insurance
73 Corporation.

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

80 (j) ~~(e)~~ "Independent agent" means any licensed insurance
81 agent not described in paragraph (i) ~~(b)~~.

82 (k) "Personal lines clearinghouse" means the clearinghouse
83 program established under paragraph (2) (a).

84 (l) "Primary residence" has the same meaning as in s.
85 627.351(6)(c)2.a.

86 (m) ~~(d)~~ "Program" means the clearinghouses ~~clearinghouse~~
87 created under this section, consisting of the personal lines
88 clearinghouse, the commercial lines clearinghouse for authorized
89 insurance, and the commercial lines clearinghouse for surplus
90 lines insurance.

91 (n) "Surplus lines agent" means an insurance agent licensed
92 pursuant to s. 626.927 or s. 626.9272.

93 (o) "Total cost of the coverage for the specific risk"
94 means the aggregate annual premium, plus all fees, taxes,
95 assessments, surcharges, and any other mandatory charges that a
96 policyholder must pay to maintain coverage over the entirety of
97 the proposed policy period.

98 (2) (a) The corporation shall establish a personal lines



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99 clearinghouse ~~in order~~ to confirm an applicant's eligibility
100 with the corporation, ~~and~~ to enhance access of new applicants
101 for personal lines coverage and existing personal lines
102 policyholders of the corporation to offers of coverage from
103 authorized insurers, ~~and the corporation shall establish a~~
104 ~~program for personal residential risks in order~~ to facilitate
105 the diversion of ineligible applicants and existing
106 policyholders from the corporation into the voluntary insurance
107 market.

108 (b)1. To facilitate the diversion of applicants and
109 existing policyholders from the corporation to approved surplus
110 lines clearinghouse insurers, the corporation shall amend its
111 plan of operation and implement on or before January 1, 2027, a
112 separate commercial lines clearinghouse pursuant to this
113 subparagraph in order to enhance access to offers of coverage
114 from approved surplus lines clearinghouse insurers for new
115 applicants for commercial residential coverage and commercial
116 nonresidential coverage and existing commercial residential and
117 commercial nonresidential policyholders of the corporation.

118 2. To facilitate the diversion of ineligible applicants and
119 existing policyholders from the corporation to authorized
120 insurers, the corporation shall implement, on or before January
121 1, 2027, a separate commercial lines clearinghouse pursuant to
122 this subparagraph to confirm eligibility for coverage from the
123 corporation and to enhance access to offers of coverage from
124 authorized insurers for new applicants for commercial
125 residential and commercial nonresidential coverage and existing
126 commercial residential and commercial nonresidential
127 policyholders of the corporation. If no offer of comparable



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128 coverage from an authorized insurer through the program at a
129 premium that is at or below the eligibility threshold is made
130 through the commercial lines clearinghouse for authorized
131 insurance pursuant to this subparagraph within 5 days after
132 receipt of a submission, the risk shall be eligible for
133 submission to the commercial lines clearinghouse for surplus
134 lines insurance ~~The corporation shall also develop appropriate~~
135 ~~procedures for facilitating the diversion of ineligible~~
136 ~~applicants and existing policyholders for commercial residential~~
137 ~~coverage into the private insurance market and shall report such~~
138 ~~procedures to the President of the Senate and the Speaker of the~~
139 ~~House of Representatives by January 1, 2014.~~

140 (3) The corporation board shall establish the ~~clearinghouse~~
141 program as an organizational unit within the corporation. The
142 program shall have all the rights and responsibilities in
143 carrying out its duties as a licensed general lines agent and a
144 surplus lines agent and may, but is not ~~may not be~~ required to,
145 employ or engage a licensed general lines agent or a surplus
146 lines agent, or to maintain an insurance agency license to carry
147 out its activities in the solicitation and placement of
148 insurance coverage. In establishing the program, the corporation
149 has all of the following rights and responsibilities ~~may~~:

150 (a) Before binding or renewing coverage by the corporation,
151 the corporation:

152 1. Shall require all new applications for personal lines
153 coverage, and all personal lines policies due for renewal, to be
154 submitted for coverage to the program in order to facilitate
155 obtaining an offer of coverage from an authorized insurer.

156 2. Must, when the corporation establishes a commercial



157 lines clearinghouse for authorized insurance, require all new
158 applications for commercial lines coverage, and all commercial
159 lines policies due for renewal, to be initially submitted for
160 coverage to the commercial lines clearinghouse for authorized
161 insurance in order to facilitate obtaining an offer of coverage
162 from an authorized insurer. The commercial lines clearinghouse
163 for authorized insurance shall serve as the single initial point
164 of intake in order to facilitate obtaining an offer of coverage
165 from an authorized insurer.

166 3. Must, when the corporation establishes a commercial
167 lines clearinghouse for surplus lines insurance, require all new
168 applications for commercial lines coverage, and all commercial
169 lines policies due for renewal, following the completion of the
170 process described in subparagraph 2., to be submitted for
171 coverage to the commercial lines clearinghouse for surplus lines
172 insurance in order to facilitate obtaining an offer of coverage
173 from an approved surplus lines clearinghouse insurer. The
174 commercial lines clearinghouse for surplus lines insurance shall
175 serve as the single point of intake for the commercial lines
176 clearinghouse in order to facilitate obtaining an offer of
177 coverage from an approved surplus lines clearinghouse insurer
178 before the corporation may quote, bind, or otherwise indicate or
179 offer coverage. This paragraph may not prevent an insured from
180 submitting at any time an application to the commercial lines
181 clearinghouse for surplus lines insurance seeking noncomparable
182 coverage from approved surplus lines clearinghouse insurers as
183 authorized by paragraph (5) (f) ~~before binding or renewing~~
184 coverage by the corporation.

185 (b) Shall establish and maintain the operational systems



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186 and procedures necessary to implement the program.

187 (c) Shall employ or otherwise contract with individuals or
188 other entities for appropriate administrative or professional
189 services to effectuate the plan within the corporation in
190 accordance with the applicable purchasing requirements under s.
191 627.351 and, for purposes of implementing the commercial lines
192 clearinghouse for surplus lines insurance for providing offers
193 of coverage from approved surplus lines clearinghouse insurers
194 on or before January 1, 2027, may contract with such individuals
195 or entities in accordance with s. 287.057.

196 (d) ~~(e)~~ May enter into contracts with any authorized insurer
197 and any approved surplus lines clearinghouse insurer to
198 participate in the program and accept an appointment by such
199 insurer.

200 (e) ~~(d)~~ May provide funds to operate the personal lines
201 clearinghouse and the commercial lines clearinghouse for
202 authorized insurance ~~program~~. Insurers and agents participating
203 in the personal lines clearinghouse or the commercial lines
204 clearinghouse for authorized insurance ~~program~~ are not required
205 to pay a fee to offset or partially offset the cost of the
206 program or use the program for renewal of policies initially
207 written through the clearinghouse.

208 (f) Shall separately operate and fund pursuant to paragraph
209 (h) the commercial lines clearinghouse for surplus lines
210 insurance and shall separately operate and fund pursuant to
211 paragraph (e) the commercial lines clearinghouse for authorized
212 insurance.

213 (g) Must, if there is insufficient commercial support for
214 any commercial lines clearinghouse, be relieved of its



215 obligations with respect to that commercial lines clearinghouse
216 until such time there is sufficient commercial support.

217 (h) Shall provide or permit access to shared or hosted
218 technology, systems, interfaces, or applications programming
219 interfaces to the commercial lines clearinghouse administrator,
220 provided that each retains operational control over and
221 responsibility for its own technology, systems, interfaces, or
222 applications. Notwithstanding paragraph (e), the corporation may
223 not provide funds to support or offset the infrastructure or
224 operations of the commercial lines clearinghouse for surplus
225 lines insurance or any component thereof, but shall fund and
226 operate its own technology, systems, interfaces, or applications
227 as necessary for the corporation to access and interface with
228 the commercial lines clearinghouse for surplus lines insurance.

229 (i) ~~(e)~~ May develop an enhanced application that includes
230 information to assist private insurers in determining whether to
231 make an offer of coverage through the program.

232 (j) ~~(f)~~ For personal lines residential risks, may require
233 that, before approving all new applications for coverage by the
234 corporation, ~~that~~ every application be subject to a period of 2
235 business days when any insurer participating in the personal
236 lines clearinghouse ~~program~~ may select the application for
237 coverage. For commercial lines residential and commercial lines
238 nonresidential risks, the corporation must require, before
239 approving all new applications for commercial lines coverage by
240 the corporation, that every application be subject to an initial
241 period of 5 business days when any authorized insurer
242 participating in the commercial lines clearinghouse for
243 authorized insurance may select the application for coverage.



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244 The authorized insurer may issue a binder on any policy selected
245 for coverage for a period of at least 30 days but not more than
246 60 days.

247 (k) Shall, in creating the commercial lines clearinghouse
248 for authorized insurance and the commercial lines clearinghouse
249 for surplus lines insurance, establish criteria to determine the
250 capabilities necessary for the commercial lines clearinghouse
251 administrators. For facilitating offers of surplus lines
252 coverage, such criteria must include confirmed expertise in the
253 surplus lines market, at least 5 years of publicly available
254 audited financial statements, the ability to facilitate all
255 approved surplus lines clearinghouse insurers to participate in
256 the commercial lines clearinghouse for surplus lines insurance,
257 and other criteria that the corporation determines necessary to
258 effectively and timely establish and administer the commercial
259 lines clearinghouse for surplus lines insurance, manage offers
260 of surplus lines coverage through the commercial lines
261 clearinghouse for surplus lines insurance, and the ability to
262 collect and remit, either directly or through a surplus lines
263 agent, all taxes pursuant to s. 626.932 and service fees
264 pursuant to s. 626.9325.

265 (l) Shall select a commercial lines clearinghouse
266 administrator for the commercial lines clearinghouse for
267 authorized insurance and a separate commercial lines
268 clearinghouse administrator for the commercial lines
269 clearinghouse for surplus lines insurance within 90 days after
270 the effective date of this act.

271 (m) Shall allow the commercial lines clearinghouse
272 administrators to establish applicable program standards and



273 procedures to ensure an orderly process for offers of coverage
274 to be provided by authorized insurers or approved surplus lines
275 clearinghouse insurers, including engagement of or with surplus
276 lines agents or managing general agents or managing general
277 underwriters pursuant to paragraph (5)(h), participating in the
278 commercial lines clearinghouse for surplus lines insurance.

279 (n) Shall submit to the commercial lines clearinghouse
280 administrator for the commercial lines clearinghouse for surplus
281 lines insurance its coverage terms and conditions, deductible
282 structures, total cost of insurance coverage for the specific
283 risk, actuarial total cost of insurance coverage for the
284 specific risk, the currently approved rate applicable to the
285 risk, and the premium that would be charged after application of
286 s. 627.351(6)(n)5. The commercial lines clearinghouse
287 administrator shall disclose the actuarial total cost of
288 insurance coverage to participating approved surplus lines
289 clearinghouse insurers following the commercial lines
290 clearinghouse administrator's receipt of a comparable coverage
291 offer from such participating approved surplus lines
292 clearinghouse insurer. Any change to the corporation's coverage
293 terms and conditions, deductible structures, rating
294 classification, total cost of insurance coverage for the
295 specific risk, or rating factor constitutes a new submission and
296 restarts the validation period. The commercial lines
297 clearinghouse administrator for the commercial lines
298 clearinghouse for surplus lines insurance shall enter into
299 agreements with approved surplus lines clearinghouse insurers
300 participating in the commercial lines clearinghouse for surplus
301 lines insurance.



302 (4) The corporation shall share risk exposure and policy
303 information with the commercial lines clearinghouse
304 administrator for the commercial lines clearinghouse for surplus
305 lines insurance and, through the commercial lines clearinghouse
306 for surplus lines insurance, the commercial lines clearinghouse
307 administrator for the commercial lines clearinghouse for surplus
308 lines insurance may use such information as necessary to operate
309 and administer the commercial lines clearinghouse for surplus
310 lines insurance and ensure the orderly, timely, and transparent
311 assessment of risks by approved surplus lines clearinghouse
312 insurers participating in the commercial lines clearinghouse for
313 surplus lines insurance. This subsection does not prohibit a
314 commercial lines clearinghouse administrator from sharing risk
315 information with approved surplus lines clearinghouse insurers
316 for underwriting evaluation. Any risk information shared for
317 purposes of this subsection, other than a submission of coverage
318 for a specific risk, must be aggregated and deidentified.

319 (5) Any authorized insurer may participate in the personal
320 lines clearinghouse or the commercial lines clearinghouse for
321 authorized insurance ~~program~~; however, participation is not
322 mandatory for any insurer. Approved surplus lines clearinghouse
323 insurers may participate in the commercial lines clearinghouse
324 for surplus lines insurance but may not participate in the
325 personal lines clearinghouse or the commercial lines
326 clearinghouse for authorized insurance; however, participation
327 is not mandatory for any surplus lines insurer. Insurers making
328 offers of coverage to new applicants or renewal policyholders
329 through the program:

330 (a) May not be required to individually appoint any agent



331 whose customer is underwritten and bound through the program.
332 Notwithstanding s. 626.112, insurers are not required to appoint
333 any agent on a policy underwritten through the program for as
334 long as that policy remains with the insurer. Insurers may, at
335 their election, appoint any agent or surplus lines agent whose
336 direct or indirect customer is initially underwritten and bound
337 through the program. In the event an insurer accepts a policy
338 from an agent who is not appointed pursuant to this paragraph,
339 and thereafter elects to accept a policy from such agent, the
340 provisions of s. 626.112 requiring appointment apply to the
341 agent.

342 (b) Must enter into a limited agency agreement with each
343 agent or surplus lines agent that is not appointed in accordance
344 with paragraph (a) and whose direct or indirect customer is
345 underwritten and bound through the program. In addition, a
346 surplus lines agent that enters into a limited agency or broker
347 agreement with an approved surplus lines clearinghouse insurer
348 making an offer of coverage through the program must also enter
349 into a limited agency or broker agreement with each producing
350 agent whose customer is underwritten and bound through the
351 program.

352 (c) Must enter into its standard agency agreement with each
353 agent or surplus lines agent whose direct or indirect customer
354 is underwritten and bound through the program when that agent or
355 surplus lines agent has been appointed by the insurer pursuant
356 to s. 626.112. In addition, a surplus lines agent that enters
357 into a standard agency or broker agreement with an approved
358 surplus lines clearinghouse insurer making an offer of coverage
359 through the program must also enter into a limited agency or



360 broker agreement with each producing agent whose customer is
361 underwritten and bound through the program.

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

363 (e) May participate through their ~~designated~~ ~~single-~~
364 ~~designated~~ managing general agent, managing general underwriter,
365 ~~or~~ broker, or surplus lines agent; however, the provisions of
366 paragraph (7) (a) ~~(6) (a)~~ regarding ownership, control, and use of
367 the expirations continue to apply.

368 (f) May make offers of coverage through the commercial
369 lines clearinghouse for surplus lines insurance other than
370 comparable coverage, as long as such noncomparable offers of
371 coverage are clearly designated as noncomparable. Such
372 noncomparable offers of coverage are outside of the program and
373 not subject to s. 627.351(6) (oo).

374 (g) ~~(f)~~ For authorized insurers, must pay to the producing
375 agent a commission equal to that paid by the corporation or the
376 usual and customary commission paid by the insurer for that line
377 of business, whichever is greater.

378 (h) For approved surplus lines clearinghouse insurers, when
379 coverage is placed through the commercial lines clearinghouse
380 for surplus lines insurance, directly or through a managing
381 general agent or managing general underwriter, must pay a total
382 commission or equivalent compensation on gross written premium,
383 exclusive of fees, surcharges, and taxes, to the surplus lines
384 agent placing the risk. The surplus lines agent must pay the
385 producing agent a commission that results in an effective
386 commission percentage at least equal to the commission
387 percentage published by the corporation and in effect on January
388 1, 2026, calculated in the same manner and on the same basis



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389 used by the corporation, and shall retain the remainder of the
390 total commission or equivalent compensation. This paragraph does
391 not prohibit an agent from voluntarily accepting a lower
392 commission at the agent's sole discretion. As used in this
393 paragraph, the term "effective commission percentage" means the
394 commission expressed as a percentage of premium, exclusive of
395 all fees, assessments, surcharges, and taxes.

396 (6) (a) ~~(5)~~ Notwithstanding s. 627.3517, any applicant for
397 new personal lines coverage from the corporation is not eligible
398 for coverage from the corporation if provided an offer of
399 coverage from an authorized insurer through the program at a
400 premium that is at or below the eligibility threshold for
401 applicants for new coverage of a primary residence established
402 in s. 627.351(6)(c)5.a., or for applicants for new coverage of a
403 risk that is not a primary residence established in s.
404 627.351(6)(c)5.b. Whenever an offer of coverage for a personal
405 lines risk is received for a policyholder of the corporation at
406 renewal from an authorized insurer through the program which is
407 at or below the eligibility threshold for primary residences of
408 policyholders of the corporation established in s.
409 627.351(6)(c)5.a., or the eligibility threshold for risks that
410 are not primary residences of policyholders of the corporation
411 established in s. 627.351(6)(c)5.b., the risk is not eligible
412 for coverage with the corporation. In the event an offer of
413 coverage for a new applicant is received from an authorized
414 insurer through the program, and the premium offered exceeds the
415 eligibility threshold for applicants for new coverage of a
416 primary residence established in s. 627.351(6)(c)5.a., or the
417 eligibility threshold for applicants for new coverage on a risk



418 that is not a primary residence established in s.
419 627.351(6)(c)5.b., the applicant or insured may elect to accept
420 such coverage, or may elect to accept or continue coverage with
421 the corporation. In the event an offer of coverage for a
422 personal lines risk is received from an authorized insurer at
423 renewal through the program, and the premium offered exceeds the
424 eligibility threshold for primary residences of policyholders of
425 the corporation established in s. 627.351(6)(c)5.a., or exceeds
426 the eligibility threshold for risks that are not primary
427 residences of policyholders of the corporation established in s.
428 627.351(6)(c)5.b., the insured may elect to accept such
429 coverage, or may elect to accept or continue coverage with the
430 corporation. Section 627.351(6)(c)5.a.(I) and b.(I) does not
431 apply to an offer of coverage from an authorized insurer
432 obtained through the program. ~~As used in this subsection, the~~
433 ~~term "primary residence" has the same meaning as in s.~~
434 ~~627.351(6)(c)2.a.~~

435 (b) Any applicant for new commercial lines residential
436 coverage from the corporation is not eligible for coverage from
437 the corporation if provided an offer of comparable coverage from
438 an authorized insurer through the program at a premium that is
439 at or below the eligibility threshold for applicants for new
440 coverage established in s. 627.351(6)(c)5.c. The determination
441 of whether an offer of comparable coverage from an authorized
442 insurer through the program is at or below the eligibility
443 threshold must be made before the submission of the
444 corporation's coverage terms and conditions, deductible
445 structures, and unalterable indicated total cost of insurance
446 for the specific risk is provided to the commercial lines



447 clearinghouse administrator. Whenever an offer of comparable
448 coverage for a commercial lines residential risk is received for
449 a policyholder of the corporation at renewal from an authorized
450 insurer through the program which is at or below the eligibility
451 threshold in s. 627.351(6)(c)5.c., the risk is not eligible for
452 coverage from the corporation. In the event that an offer of
453 coverage for a new applicant is received from an authorized
454 insurer through the program, and the premium offered exceeds the
455 eligibility threshold established in s. 627.351(6)(c)5.c., the
456 applicant or insured may elect to accept such coverage or may
457 elect to accept or continue coverage with the corporation. In
458 the event that an offer of coverage for a commercial lines
459 residential risk is received from an authorized insurer at
460 renewal through the program, and the premium offered exceeds the
461 eligibility threshold for policyholders of the corporation
462 established in s. 627.351(6)(c)5.c., the insured may elect to
463 accept such coverage or may elect to accept or continue coverage
464 with the corporation. Section 627.351(6)(c)5.c.(I) does not
465 apply to an offer of coverage from an authorized insurer
466 obtained through the program.

467 (c) Any applicant for new commercial lines residential
468 coverage or commercial lines nonresidential coverage from the
469 corporation and any policyholder of the corporation, when such
470 applicant or corporation policyholder is offered commercial
471 lines residential or commercial lines nonresidential coverage
472 pursuant to the program by an approved surplus lines
473 clearinghouse insurer, becomes ineligible for coverage from the
474 corporation if an approved surplus lines clearinghouse insurer
475 offers comparable coverage and the total cost of insurance



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476 coverage for the specific risk is not more than 15 percent
477 greater than the total cost of insurance coverage for the
478 specific risk from the corporation. In the event that an offer
479 of coverage for a new applicant or policyholder of the
480 corporation is received from an approved surplus lines
481 clearinghouse insurer through the program, and the total cost of
482 insurance coverage is more than 15 percent greater than the
483 total cost of insurance coverage for the specific risk from the
484 corporation, the applicant or policyholder of the corporation
485 may elect to accept such coverage or may elect to accept or
486 continue coverage with the corporation. Section
487 627.351(6)(c)5.c.(I) does not apply to an offer of coverage from
488 an approved surplus lines clearinghouse insurer obtained through
489 the program.

490 (7)~~(6)~~ Independent insurance agents submitting new
491 applications for coverage or that are the agent of record on a
492 renewal policy submitted to the program:

493 (a) Are granted and must maintain ownership and the
494 exclusive use of expirations, records, or other written or
495 electronic information directly related to such applications or
496 renewals written through the corporation or through an insurer
497 participating in the program, notwithstanding s. 627.351(5)(a),
498 s. 627.351(6)(c)5.a.(I)(B) and (II)(B), or s.
499 627.351(6)(c)5.b.(I)(B) and (II)(B). Such ownership is granted
500 for as long as the insured remains with the agency or until sold
501 or surrendered in writing by the agent. Contracts with the
502 corporation or required by the corporation or with any insurer
503 or surplus lines agent may ~~must~~ not amend, modify, interfere
504 with, or limit such rights of ownership. Such expirations,



505 records, or other written or electronic information may be used
506 to review an application, issue a policy, or for any other
507 purpose necessary for placing such business through the program.

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

511 (c) May accept an appointment from any insurer
512 participating in the program.

513 (d) May enter into either a standard or limited agency
514 agreement with the insurer, at the insurer's option, and may
515 enter into agreements with a surplus lines agent.

516
517 Applicants ineligible for coverage in accordance with subsection
518 (6) ~~(5)~~ remain ineligible if their independent agent is
519 unwilling or unable to enter into a standard or limited agency
520 agreement with an insurer participating in the program.

521 (8) ~~(7)~~ Exclusive agents submitting new applications for
522 coverage or that are the agent of record on a renewal policy
523 submitted to the program:

524 (a) Must maintain ownership and the exclusive use of
525 expirations, records, or other written or electronic information
526 directly related to such applications or renewals written
527 through the corporation or through an insurer participating in
528 the program, notwithstanding s. 627.351(6)(c)5.a.(I)(B) and
529 (II)(B) or s. 627.351(6)(c)5.b.(I)(B) and (II)(B). Contracts
530 with the corporation or required by the corporation must not
531 amend, modify, interfere with, or limit such rights of
532 ownership. Such expirations, records, or other written or
533 electronic information may be used to review an application,



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534 issue a policy, or for any other purpose necessary for placing
535 such business through the program.

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

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

542 (d) May enter into a limited servicing agreement with the
543 insurer making an offer of coverage, and only after the
544 exclusive agent's insurer has approved the limited servicing
545 agreement terms. The exclusive agent's insurer must approve a
546 limited service agreement for the program for any insurer for
547 which it has approved a service agreement for other purposes.

548
549 Applicants ineligible for coverage in accordance with subsection
550 (6) ~~(5)~~ remain ineligible if their exclusive agent is unwilling
551 or unable to enter into a standard or limited agency agreement
552 with an insurer making an offer of coverage to that applicant.

553 (9) ~~(8)~~ Submission of an application for coverage by the
554 corporation to the program does not constitute the binding of
555 coverage by the corporation, and failure of the program to
556 obtain an offer of coverage by an insurer may not be considered
557 acceptance of coverage of the risk by the corporation.

558 (10) ~~(9)~~ The 45-day notice of nonrenewal requirement set
559 forth in s. 627.4133(2)(b)5. applies when a policy is nonrenewed
560 by the corporation because the risk has received an offer of
561 coverage from an authorized insurer pursuant to this section
562 which renders the risk ineligible for coverage by the



563 corporation. Section 627.4133 does not apply when a policy is
564 nonrenewed by the corporation because the risk has received an
565 offer of coverage from an approved surplus lines clearinghouse
566 insurer pursuant to this section which renders the risk
567 ineligible for coverage by the corporation. Within 5 days after
568 the date an approved surplus lines clearinghouse insurer makes
569 an offer of coverage pursuant to this section which renders the
570 risk ineligible for coverage by the corporation, the commercial
571 lines clearinghouse administrator for the commercial lines
572 clearinghouse for surplus lines insurance must, on behalf of the
573 corporation, give the first-named insured written notice of
574 nonrenewal stating the reason as to why the policy is not to be
575 renewed. If the commercial lines clearinghouse administrator for
576 the commercial lines clearinghouse for surplus lines insurance
577 fails to provide the notice as required by this paragraph,
578 paragraph (6) (c) does not apply to the risk.

579 ~~(10) The program may not include commercial nonresidential~~
580 ~~policies.~~

581 (11) Proprietary business information provided to the
582 corporation's clearinghouse by insurers with respect to
583 identifying and selecting risks for an offer of coverage is
584 confidential and exempt from s. 119.07(1) and s. 24(a), Art. I
585 of the State Constitution.

586 (a) As used in this subsection, the term "proprietary
587 business information" means information, regardless of form or
588 characteristics, which is owned or controlled by an insurer and:

589 1. Is identified by the insurer as proprietary business
590 information and is intended to be and is treated by the insurer
591 as private in that the disclosure of the information would cause



592 harm to the insurer, an individual, or the company's business
593 operations and has not been disclosed unless disclosed pursuant
594 to a statutory requirement, an order of a court or
595 administrative body, or a private agreement that provides that
596 the information will not be released to the public;

597 2. Is not otherwise readily ascertainable or publicly
598 available by proper means by other persons from another source
599 in the same configuration as provided to the clearinghouse; and

600 3. Includes:

601 a. Trade secrets, as defined in s. 688.002.

602 b. Information relating to competitive interests, the
603 disclosure of which would impair the competitive business of the
604 provider of the information.

605
606 Proprietary business information may be found in underwriting
607 criteria or instructions which are used to identify and select
608 risks through the program for an offer of coverage and are
609 shared with the clearinghouse to facilitate the shopping of
610 risks with the insurer.

611 (b) The clearinghouse may disclose confidential and exempt
612 proprietary business information:

613 1. If the insurer to which it pertains gives prior written
614 consent;

615 2. Pursuant to a court order; or

616 3. To another state agency in this or another state or to a
617 federal agency if the recipient agrees in writing to maintain
618 the confidential and exempt status of the document, material, or
619 other information and has verified in writing its legal
620 authority to maintain such confidentiality.



621 (12) Within 3 months after the effective date of this act
622 and annually thereafter, unless waived by the office in its sole
623 discretion, the office shall review and approve the program
624 through a final order. At a minimum, the office must
625 specifically approve all of the following items:

626 (a) The applicable program standards.

627 (b) Procedural rules, which shall provide for the efficient
628 operation of all clearinghouses and allow sufficient time for
629 participating surplus lines insurers to consider and quote
630 risks.

631 (c) Any contractual agreement relating to the program
632 between any combination of the following: the corporation, any
633 commercial lines clearinghouse administrator, or any approved
634 surplus lines clearinghouse insurer.

635 (d) The operational processes used by any commercial lines
636 clearinghouse administrator to determine comparable coverage or
637 whether an offer of coverage from an insurer participating in
638 the program precludes coverage from the corporation.

639 (e) Applicable controls relating to data and proprietary
640 business information used in the program which do not otherwise
641 conflict with this statute.

642
643 Changes to the items described in this subsection must be
644 approved in writing by the office.

645 (13) The corporation may not apply discretionary rate
646 adjustments to specific risks submitted to the commercial lines
647 clearinghouse for surplus lines insurance.

648 (14) This section does not authorize rebates or any
649 activity that would violate part IX of chapter 626. The



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650 corporation and each commercial lines clearinghouse
651 administrator shall implement procedures to ensure that
652 participating agents and insurers are not induced to violate
653 part IX of chapter 626.

654 Section 3. The Division of Law Revision is directed to
655 replace the phrase "the effective date of this act" wherever it
656 occurs in this act with the date this act becomes a law.

657 Section 4. This act shall take effect upon becoming a law.

658
659 ===== T I T L E A M E N D M E N T =====

660 And the title is amended as follows:

661 Delete everything before the enacting clause
662 and insert:

663 A bill to be entitled
664 An act relating to the Citizens Property Insurance
665 Corporation; amending s. 627.351, F.S.; prohibiting
666 the corporation from issuing new coverage for
667 commercial residential and commercial nonresidential
668 risks under certain circumstances; providing an
669 exception; defining the term "total cost of insurance
670 coverage for the specific risk"; amending s. 627.3518,
671 F.S.; deleting an obsolete provision; defining terms;
672 revising the definition of the term "program";
673 requiring the corporation to establish a personal
674 lines clearinghouse for specified purposes; requiring,
675 on or before a specified date, the corporation to
676 amend its plan of operation and implement a separate
677 commercial lines clearinghouse for a specified
678 purpose; requiring, on or before a specified date, the



679 corporation to implement a separate commercial lines
680 clearinghouse for specified purposes; requiring
681 certain risks to be eligible for submission to the
682 commercial lines clearinghouse for surplus lines
683 insurance under certain circumstances; deleting
684 obsolete provisions; revising the program's rights and
685 responsibilities; revising the rights and
686 responsibilities the corporation has in establishing
687 the program; providing construction;; requiring the
688 corporation to share risk exposure and policy
689 information with the commercial lines clearinghouse
690 administrator for the commercial lines clearinghouse
691 for surplus lines insurance; authorizing such
692 administrator to use such information for a specified
693 purpose; providing construction; requiring that
694 certain risk information be aggregated and
695 deidentified; authorizing authorized insurers to
696 participate in the personal lines clearinghouse or the
697 commercial lines clearinghouse for authorized
698 insurers; authorizing surplus lines clearinghouse
699 insurers to participate in the commercial lines
700 clearinghouse for surplus lines insurance; prohibiting
701 such insurers from participating in the personal lines
702 clearinghouse or the commercial lines clearinghouse
703 for authorized insurance; specifying that
704 participation in the program is not mandatory for such
705 insurers; revising prohibitions and requirements for
706 insurers making offers of coverage to new applicants
707 or renewal policyholders through the program;



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708 providing construction; defining the term "effective
709 commission percentage"; specifying that applicants for
710 new commercial lines residential coverage are not
711 eligible for coverage from the corporation under
712 certain circumstances; specifying the circumstances
713 under which policyholders of the corporation are not
714 eligible for new commercial lines residential coverage
715 from the corporation; requiring that the determination
716 of whether an offer of comparable coverage from an
717 authorized insurer is at or below the eligibility
718 threshold be made at a specified time; authorizing
719 applicants or insureds to elect to accept coverage
720 with authorized insurers or elect to accept or
721 continue coverage with the corporation under certain
722 circumstances; authorizing insureds to elect to accept
723 coverage with specified insurers or elect to accept or
724 continue coverage with the corporation under certain
725 circumstances; providing applicability; specifying
726 that certain applicants and policyholders become
727 ineligible for coverage from the corporation under
728 certain circumstances; authorizing applicants or
729 policyholders to elect to accept certain coverage
730 under certain circumstances; providing applicability;
731 revising the rights and authorizations for certain
732 independent insurance agents; providing applicability;
733 requiring the commercial lines clearinghouse
734 administrator for the commercial lines clearinghouse
735 for surplus lines insurance to give the first-named
736 insured a specified notice within a specified



737 timeframe under certain circumstances; deleting a
738 prohibition relating to commercial nonresidential
739 policies; requiring the office to review and approve
740 the program through final order; requiring the office
741 to specifically approve certain items; prohibiting the
742 corporation from applying discretionary rate
743 adjustments to certain risks; providing construction;
744 requiring the corporation and each commercial lines
745 clearinghouse administrator to implement certain
746 procedures; providing a directive to the Division of
747 Law Revision; providing an effective date.