

By the Committees on Fiscal Policy; and Banking and Insurance; and Senator Gruters

594-02806-26

20261028c2

594-02806-26

20261028c2

30 policy information with the commercial lines
31 clearinghouse administrator; authorizing such
32 administrator to use such information for a specified
33 purpose; authorizing approved surplus lines
34 clearinghouse insurers to participate in the
35 commercial lines clearinghouse; prohibiting such
36 insurers from participating in the personal lines
37 clearinghouse; specifying that participation in the
38 program is not mandatory for such insurers; revising
39 prohibitions and requirements for insurers making
40 offers of coverage to new applicants or renewal
41 policyholders through the program; providing
42 construction; defining the term "effective commission
43 percentage"; specifying that applicants for new
44 commercial lines residential coverage are not eligible
45 for coverage from the corporation under certain
46 circumstances; specifying the circumstances under
47 which policyholders of the corporation are not
48 eligible for new commercial lines residential coverage
49 from the corporation; requiring that the determination
50 of whether an offer of comparable coverage from an
51 authorized insurer is at or below the eligibility
52 threshold be made at a specified time; authorizing
53 applicants or insureds to elect to accept coverage
54 with authorized insurers or elect to accept or
55 continue coverage with the corporation under certain
56 circumstances; authorizing insureds to elect to accept
57 coverage with specified insurers or elect to accept or
58 continue coverage with the corporation under certain

594-02806-26

20261028c2

59 circumstances; providing applicability; specifying
60 that certain applicants and policyholders remain
61 eligible for coverage from the corporation;
62 authorizing such applicants and policyholders to elect
63 to accept coverage from clearinghouse insurers or
64 elect to accept or continue coverage with the
65 corporation; authorizing certain applicants and
66 policyholders of the corporation to elect to accept
67 coverage from clearinghouse insurers or elect to
68 accept or continue coverage with the corporation;
69 requiring such applicants or policyholders to pay a
70 specified total cost of insurance for corporation
71 coverage; providing applicability; revising the rights
72 and authorizations for certain independent insurance
73 agents; deleting a prohibition relating to commercial
74 nonresidential policies; authorizing the Office of
75 Insurance Regulation to review certain operational
76 processes related to the program; specifying the
77 contents of such review; requiring the office to
78 notify the corporation and submit written
79 recommendations to the Financial Services Commission
80 under certain circumstances; authorizing the
81 corporation to temporarily implement certain
82 recommendations; providing construction; requiring the
83 corporation and the commercial lines clearinghouse
84 administrator to implement specified procedures;
85 authorizing the office to review such procedures;
86 providing an effective date.
87

594-02806-26

20261028c2

88 Be It Enacted by the Legislature of the State of Florida:

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

92 627.351 Insurance risk apportionment plans.—

93 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

94 (oo) For commercial residential and commercial

95 nonresidential risks, if an approved surplus lines clearinghouse
96 insurer offers coverage under s. 627.3518(6)(c)2. and the total
97 cost of such coverage is not more than 20 percent greater than
98 the total cost of insurance coverage from the corporation, the
99 corporation may not issue or renew coverage unless it imposes an
100 equalization adjustment on such policy equal to the amount by
101 which the total cost of insurance coverage offered by the
102 approved surplus lines clearinghouse insurer exceeds the total
103 cost of insurance coverage from the corporation. If the total
104 cost of insurance from the approved surplus lines clearinghouse
105 insurer does not exceed the total cost of corporation coverage,
106 the corporation may not impose the equalization adjustment. If
107 more than one approved surplus lines clearinghouse insurer
108 offers coverage under s. 627.3518(6)(c)2., the lowest offered
109 total cost of insurance coverage applies for purposes of this
110 paragraph. The total cost of insurance coverage includes, but is
111 not limited to, the premium, fees, surcharges, and applicable
112 taxes. An offer submitted by a surplus lines clearinghouse
113 insurer which is declined by the applicant or policyholder,
114 expires, or is not accepted by the applicant or policyholder for
115 any reason does not relieve the corporation from its obligation,
116 if any, to impose an equalization adjustment as set forth in

594-02806-26

20261028c2

117 this paragraph. An equalization adjustment applied pursuant to
118 this paragraph expires at the end of the policy term. For the
119 purposes of this paragraph, the term "equalization adjustment"
120 means a temporary policy-term-only adjustment applied solely for
121 purposes of evaluating and comparing offers of coverage on a
122 comparable basis under this section. An equalization adjustment
123 does not constitute a rate, premium, surcharge, or filing; does
124 not modify or affect any rate, rating plan, rule, or filing
125 approved for the corporation; and expires by operation of law at
126 the end of the applicable policy term.

127 Section 2. Section 627.3518, Florida Statutes, is amended
128 to read:

129 627.3518 Citizens Property Insurance Corporation
130 policyholder eligibility clearinghouse program.—The purpose of
131 this section is to provide a framework for the corporation to
132 implement a clearinghouse program by January 1, 2014.

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

134 (a) "Approved surplus lines clearinghouse insurer" means an
135 eligible surplus lines insurer that has a financial strength
136 rating of "A–" or higher and a financial size category of A–VII
137 or higher from A.M. Best Company which the clearinghouse
138 administrator recommends for participation in the program and
139 which the office verifies meets the requirements for
140 participation in the program within 10 business days after the
141 commercial lines clearinghouse administrator's recommendation.
142 If the office does not complete such verification within the 10–
143 business-day period, the insurer shall be deemed verified for
144 purposes of participation in the program.

145 (b) "Authorized insurer" means an insurer authorized to act

594-02806-26

20261028c2

146 as an insurer by a subsisting certificate of authority issued to
147 the insurer by the office.

148 (c) "Commercial lines clearinghouse administrator" means
149 the individual or entity employed or otherwise contracted by the
150 corporation to provide administrative or professional services
151 to implement the commercial lines clearinghouse required
152 pursuant to subparagraph (2) (b)1. within the corporation as set
153 forth in paragraph (3) (b) .

154 (d) "Comparable coverage" means coverage that has material
155 terms and conditions that are substantially equivalent to or
156 better than coverage from the corporation as to all aspects of
157 such coverage, as determined by the corporation through the
158 clearinghouse process and applicable program standards.

159 (e) "Corporation" means Citizens Property Insurance
160 Corporation.

161 (f) (b) "Exclusive agent" means any licensed insurance agent
162 that has, by contract, agreed to act exclusively for one company
163 or group of affiliated insurance companies and is disallowed by
164 the provisions of that contract to directly write for any other
165 unaffiliated insurer absent express consent from the company or
166 group of affiliated insurance companies.

167 (g) (e) "Independent agent" means any licensed insurance
168 agent not described in paragraph (f) (b).

169 (h) "Primary residence" has the same meaning as in s.
170 627.351(6) (c)2.a.

171 (i) (d) "Program" means the clearinghouse created under this
172 section, consisting of the personal lines clearinghouse and the
173 commercial lines clearinghouse.

174 (j) "Surplus lines agent" means an insurance agent licensed

594-02806-26

20261028c2

175 pursuant to s. 626.927 or s. 626.9272.

176 (2) (a) The corporation shall establish a personal lines
177 clearinghouse in order to confirm an applicant's eligibility
178 with the corporation, and to enhance access of new applicants
179 for personal lines coverage and existing personal lines
180 policyholders of the corporation to offers of coverage from
181 authorized insurers, and the corporation shall establish a
182 program for personal residential risks in order to facilitate
183 the diversion of ineligible applicants and existing
184 policyholders from the corporation into the voluntary insurance
185 market.

186 (b) 1. The corporation shall amend its plan of operation and
187 implement on or before January 1, 2027, a commercial lines
188 clearinghouse in order to enhance access to offers of coverage
189 from approved surplus lines clearinghouse insurers for new
190 applicants for commercial residential coverage and commercial
191 nonresidential coverage and existing commercial residential and
192 commercial nonresidential policyholders of the corporation.

193 2. To facilitate the diversion of ineligible applicants and
194 existing policyholders from the corporation to authorized
195 insurers, the corporation shall implement, on or before January
196 1, 2027, a separate commercial lines clearinghouse to confirm
197 eligibility for coverage from the corporation and to enhance
198 access to offers of coverage from authorized insurers for new
199 applicants for commercial residential and commercial
200 nonresidential coverage and existing commercial residential and
201 commercial nonresidential policyholders of the corporation shall
202 also develop appropriate procedures for facilitating the
203 diversion of ineligible applicants and existing policyholders

594-02806-26

20261028c2

204 for commercial residential coverage into the private insurance
205 market and shall report such procedures to the President of the
206 Senate and the Speaker of the House of Representatives by
207 January 1, 2014.

208 (3) The corporation board shall establish the ~~clearinghouse~~
209 program as an organizational unit within the corporation. The
210 program shall have all the rights and responsibilities in
211 carrying out its duties as a licensed general lines agent and a
212 surplus lines agent, but may not be required to employ or engage
213 a licensed general lines agent or a surplus lines agent, or to
214 maintain an insurance agency license to carry out its activities
215 in the solicitation and placement of insurance coverage. In
216 establishing the program, the corporation has all of the
217 following rights and responsibilities may:

218 (a) Before binding or renewing coverage by the corporation,
219 the corporation:

220 1. May require all new applications for personal lines
221 coverage, and all personal lines policies due for renewal, to be
222 submitted for coverage to the program in order to facilitate
223 obtaining an offer of coverage from an authorized insurer.

224 2. May, if the corporation establishes a clearinghouse
225 pursuant to subparagraph (2)b.2., require all new applications
226 for commercial lines coverage, and all commercial lines policies
227 due for renewal, to be submitted for coverage to the program in
228 order to facilitate obtaining an offer of coverage from an
229 authorized insurer.

230 3. Shall require all new applications for commercial lines
231 coverage, and all commercial lines policies due for renewal, to
232 be initially submitted for coverage through the commercial lines

594-02806-26

20261028c2

233 clearinghouse as a single point of intake for both the
234 corporation and the program in order to facilitate obtaining an
235 offer of coverage from an approved surplus lines clearinghouse
236 insurer before binding or renewing coverage by the corporation.

237 (b) Shall establish and maintain the operational systems
238 and procedures necessary to implement the program.

239 (c) May employ or otherwise contract with individuals or
240 other entities for appropriate administrative or professional
241 services to effectuate the plan within the corporation in
242 accordance with the applicable purchasing requirements under s.
243 627.351 and, for purposes of implementing the commercial lines
244 clearinghouse and providing offers of coverage from approved
245 surplus lines clearinghouse insurers on or before January 1,
246 2027, contract with such individuals or entities in accordance
247 with s. 287.057(3)(c).

248 (d) ~~(e)~~ May enter into contracts with any authorized insurer
249 and any approved surplus lines clearinghouse insurer to
250 participate in the program and accept an appointment by such
251 insurer.

252 (e) ~~(d)~~ May provide funds to operate the program. Insurers
253 and agents participating in the program are not required to pay
254 a fee to offset or partially offset the cost of the program or
255 use the program for renewal of policies initially written
256 through the clearinghouse. Notwithstanding this paragraph, any
257 commercial lines clearinghouse administrator may charge approved
258 surplus lines clearinghouse insurers participating in the
259 program reasonable transaction, technology, administration, and
260 other similar fees. All fees charged by the commercial lines
261 clearinghouse administrator must be fair.

594-02806-26

20261028c2

262 (f) Shall include separate components for authorized
263 insurers and approved surplus lines insurers with respect to the
264 commercial lines clearinghouse, each of which shall be
265 independently operated and independently funded.

266 (g) In the event that there is insufficient commercial
267 support for any component of the commercial lines clearinghouse,
268 shall be relieved of its obligations with respect to that
269 component for which there is insufficient commercial support.

270 (h) Shall provide or permit access to shared or hosted
271 technology, systems, interfaces, or applications programming
272 interfaces to the commercial lines clearinghouse administrator,
273 provided that each retains operational control over and
274 responsibility for its own technology, systems, interfaces, or
275 applications. Notwithstanding paragraph (e), the corporation may
276 not provide funds to support or offset the infrastructure or
277 operations of the commercial lines clearinghouse or any
278 component thereof, but shall fund and operate its own
279 technology, systems, interfaces, or applications as necessary
280 for the corporation to access and interface with the commercial
281 lines clearinghouse.

282 (i)-(e) May develop an enhanced application that includes
283 information to assist private insurers in determining whether to
284 make an offer of coverage through the program.

285 (j)-(f) For personal lines residential risks, may require
286 that, before approving all new applications for coverage by the
287 corporation, that every application be subject to a period of 2
288 business days when any insurer participating in the program may
289 select the application for coverage. For commercial lines
290 residential and commercial lines nonresidential risks, the

594-02806-26

20261028c2

291 corporation may require, before approving all new applications
292 for commercial lines coverage by the corporation, that every
293 application be subject to a period of 5 business days when any
294 insurer participating in the program may select the application
295 for coverage. The insurer may issue a binder on any policy
296 selected for coverage for a period of at least 30 days but not
297 more than 60 days.

298 (k) Shall, in creating the commercial lines clearinghouse,
299 establish criteria to determine the capabilities necessary for
300 the commercial lines clearinghouse administrator. For
301 facilitating offers of surplus lines coverage, such criteria
302 must include confirmed expertise in the surplus lines market, at
303 least 5 years of publicly available audited financial
304 statements, the ability to facilitate all approved surplus lines
305 clearinghouse insurers to participate in the commercial lines
306 clearinghouse, and other criteria that the corporation
307 determines necessary to effectively establish, administer,
308 manage offers of surplus lines coverage through the commercial
309 lines clearinghouse, and the ability to collect and remit,
310 either directly or through a surplus lines agent, all taxes
311 pursuant to s. 626.932 and service fees pursuant to s. 626.9325.

312 (l) Shall select a commercial lines clearinghouse
313 administrator within 90 days after the effective date of this
314 act.

315 (m) May allow the commercial lines clearinghouse
316 administrator to establish procedures and account clearance
317 requirements the commercial lines clearinghouse administrator
318 deems necessary to ensure an orderly process for offers of
319 coverage to be provided by authorized insurers or approved

594-02806-26

20261028c2

320 surplus lines clearinghouse insurers participating in the
321 commercial lines clearinghouse and to avoid multiple offers of
322 coverage from the same insurer for the same risk.

323 (n) Must submit to the commercial lines clearinghouse
324 administrator its coverage terms and conditions, deductible
325 structures, and unalterable indicated total cost of insurance
326 coverage, which must include, but is not limited to, the
327 premium, fees, surcharges, and applicable taxes for the subject
328 risk before any approved surplus lines clearinghouse insurer is
329 provided a submission for coverage pursuant to the program by
330 any applicant for new coverage from the corporation or any
331 policyholder of the corporation. Upon completion of such
332 submission, the commercial lines clearinghouse administrator
333 shall provide the corporation's unalterable indicated coverage
334 terms and conditions and deductible structures, but may not
335 provide the indicated total cost of corporation insurance
336 coverage, to the approved surplus lines clearinghouse insurers
337 participating in the program. The commercial lines clearinghouse
338 administrator shall determine, through established procedures,
339 whether a submission is complete before release, which
340 submission requires, at a minimum, a validated application from
341 the agent and the corporation's unalterable indicated total cost
342 of insurance, coverage terms and conditions, and deductible
343 structures. The commercial lines clearinghouse administrator
344 shall then use the corporation's unalterable indication to
345 determine whether any offers of coverage from approved surplus
346 lines clearinghouse insurers satisfy the requirements set forth
347 in s. 627.351(6)(oo) and subparagraph (6)(c)2. The corporation
348 may not bind or otherwise communicate, indicate, or make an

594-02806-26

20261028c2

offer of coverage to an applicant or policyholder, or its agent, or otherwise accept coverage until the commercial lines clearinghouse administrator has determined that a complete submission has been made, affirmatively releases one or more offers of coverage from approved surplus lines clearinghouse insurers, or affirms that no clearinghouse insurer offer of coverage has been made, and at least 5 business days have elapsed from the date of such release, unless waived in writing. Any change to the corporation's coverage terms and conditions, deductible structures, or indicated total cost of insurance coverage constitutes a new submission by the corporation under this paragraph. The validation period described in this paragraph applies regardless of any proposed effective date, renewal date, or expiration date of the policy and may not be shortened or bypassed based on timing considerations relating to binding or renewal.

(4) The corporation may share risk exposure and policy information with the commercial lines clearinghouse administrator and, through the commercial lines clearinghouse, the commercial lines clearinghouse administrator may use such information as necessary to operate and administer the commercial lines clearinghouse and ensure the orderly, timely, and transparent assessment of risks by insurers participating in the commercial lines clearinghouse.

(5) Any authorized insurer may participate in the program; however, participation is not mandatory for any insurer. Approved surplus lines clearinghouse insurers may participate in the commercial lines clearinghouse but may not participate in the personal lines clearinghouse; however, participation in the

594-02806-26

20261028c2

378 program is not mandatory for any surplus lines insurer. Insurers
379 making offers of coverage to new applicants or renewal
380 policyholders through the program:

381 (a) May not be required to individually appoint any agent
382 whose customer is underwritten and bound through the program.
383 Notwithstanding s. 626.112, insurers are not required to appoint
384 any agent on a policy underwritten through the program for as
385 long as that policy remains with the insurer. Insurers may, at
386 their election, appoint any agent or surplus lines agent whose
387 direct or indirect customer is initially underwritten and bound
388 through the program. In the event an insurer accepts a policy
389 from an agent who is not appointed pursuant to this paragraph,
390 and thereafter elects to accept a policy from such agent, the
391 provisions of s. 626.112 requiring appointment apply to the
392 agent.

393 (b) Must enter into a limited agency agreement with each
394 agent or surplus lines agent that is not appointed in accordance
395 with paragraph (a) and whose direct or indirect customer is
396 underwritten and bound through the program. In addition, a
397 surplus lines agent that enters into a limited agency or broker
398 agreement with an approved surplus lines clearinghouse insurer
399 making an offer of coverage through the program must also enter
400 into a limited agency or broker agreement with each producing
401 agent whose customer is underwritten and bound through the
402 program.

403 (c) Must enter into its standard agency agreement with each
404 agent or surplus lines agent whose direct or indirect customer
405 is underwritten and bound through the program when that agent or
406 surplus lines agent has been appointed by the insurer pursuant

594-02806-26

20261028c2

407 to s. 626.112. In addition, a surplus lines agent that enters
408 into a standard agency or broker agreement with an approved
409 surplus lines clearinghouse insurer making an offer of coverage
410 through the program must also enter into a limited agency or
411 broker agreement with each producing agent whose customer is
412 underwritten and bound through the program.

413 (d) Must comply with s. 627.4133(2) or, if the insurer is
414 an approved surplus lines clearinghouse insurer, s. 626.9201.

415 (e) May participate through their designated single-
416 designated managing general agent, managing general underwriter,
417 or broker, or surplus lines agent; however, the provisions of
418 paragraph (7)(a) +6(a) regarding ownership, control, and use of
419 the expirations continue to apply.

420 (f) For authorized insurers, must pay to the producing
421 agent a commission equal to that paid by the corporation or the
422 usual and customary commission paid by the insurer for that line
423 of business, whichever is greater.

424 (g) For approved surplus lines clearinghouse insurers, when
425 coverage is placed through the clearinghouse with an approved
426 surplus lines clearinghouse insurer, must pay a total commission
427 or equivalent compensation on gross written premium, exclusive
428 of fees, surcharges, and taxes, to the surplus lines agent,
429 managing general agent, or managing general underwriter placing
430 the risk. The surplus lines agent, managing general agent, or
431 managing general underwriter must pay the producing agent a
432 commission that results in an effective commission percentage at
433 least equal to the commission percentage published by the
434 corporation and in effect on January 1, 2026, calculated in the
435 same manner and on the same basis used by the corporation, and

594-02806-26

20261028c2

436 shall retain the remainder of the total commission or equivalent
437 compensation. This paragraph does not prohibit an agent from
438 voluntarily accepting a lower commission at the agent's sole
439 discretion. As used in this paragraph, the term "effective
440 commission percentage" means the commission expressed as a
441 percentage of premium, exclusive of all fees, assessments,
442 surcharges, and taxes.

443 (6) (a) ~~(5)~~ Notwithstanding s. 627.3517, any applicant for
444 new personal lines coverage from the corporation is not eligible
445 for coverage from the corporation if provided an offer of
446 comparable coverage from an authorized insurer through the
447 program at a premium that is at or below the eligibility
448 threshold for applicants for new coverage of a primary residence
449 established in s. 627.351(6)(c)5.a., or for applicants for new
450 coverage of a risk that is not a primary residence established
451 in s. 627.351(6)(c)5.b. Whenever an offer of comparable coverage
452 for a personal lines risk is received for a policyholder of the
453 corporation at renewal from an authorized insurer through the
454 program which is at or below the eligibility threshold for
455 primary residences of policyholders of the corporation
456 established in s. 627.351(6)(c)5.a., or the eligibility
457 threshold for risks that are not primary residences of
458 policyholders of the corporation established in s.
459 627.351(6)(c)5.b., the risk is not eligible for coverage with
460 the corporation. In the event an offer of coverage for a new
461 applicant is received from an authorized insurer through the
462 program, and the premium offered exceeds the eligibility
463 threshold for applicants for new coverage of a primary residence
464 established in s. 627.351(6)(c)5.a., or the eligibility

594-02806-26

20261028c2

465 threshold for applicants for new coverage on a risk that is not
466 a primary residence established in s. 627.351(6)(c)5.b., the
467 applicant or insured may elect to accept such coverage, or may
468 elect to accept or continue coverage with the corporation. In
469 the event an offer of coverage for a personal lines risk is
470 received from an authorized insurer at renewal through the
471 program, and the premium offered exceeds the eligibility
472 threshold for primary residences of policyholders of the
473 corporation established in s. 627.351(6)(c)5.a., or exceeds the
474 eligibility threshold for risks that are not primary residences
475 of policyholders of the corporation established in s.
476 627.351(6)(c)5.b., the insured may elect to accept such
477 coverage, or may elect to accept or continue coverage with the
478 corporation. Section 627.351(6)(c)5.a.(I) and b.(I) does not
479 apply to an offer of coverage from an authorized insurer
480 obtained through the program. ~~As used in this subsection, the~~
481 ~~term "primary residence" has the same meaning as in s.~~
482 ~~627.351(6)(c)2.a.~~

483 (b) Any applicant for new commercial lines residential
484 coverage from the corporation is not eligible for coverage from
485 the corporation if provided an offer of comparable coverage from
486 the corporation as to all aspects of such coverage from an
487 authorized insurer through the program at a premium that is at
488 or below the eligibility threshold for applicants for new
489 coverage established in s. 627.351(6)(c)5.c. The determination
490 of whether an offer of comparable coverage from an authorized
491 insurer through the program is at or below the eligibility
492 threshold must be made before the submission of the
493 corporation's coverage terms and conditions, deductible

594-02806-26

20261028c2

494 structures, and unalterable indicated total cost of insurance is
495 provided to the commercial lines clearinghouse administrator.
496 Whenever an offer of comparable coverage from the corporation as
497 to all aspects of such coverage for a commercial lines
498 residential risk is received for a policyholder of the
499 corporation at renewal from an authorized insurer through the
500 program which is at or below the eligibility threshold in s.
501 627.351(6)(c)5.c., the risk is not eligible for coverage from
502 the corporation. In the event that an offer of coverage for a
503 new applicant is received from an authorized insurer through the
504 program, and the premium offered exceeds the eligibility
505 threshold established in s. 627.351(6)(c)5.c., the applicant or
506 insured may elect to accept such coverage or may elect to accept
507 or continue coverage with the corporation. In the event that an
508 offer of coverage for a commercial lines residential risk is
509 received from an authorized insurer at renewal through the
510 program, and the premium offered exceeds the eligibility
511 threshold for policyholders of the corporation established in s.
512 627.351(6)(c)5.c., the insured may elect to accept such coverage
513 or may elect to accept or continue coverage with the
514 corporation. Section 627.351(6)(c)5.c.(I) does not apply to an
515 offer of coverage from an authorized insurer obtained through
516 the program.

517 (c)1. Except as provided in subparagraph 2., any applicant
518 for new commercial lines residential coverage or commercial
519 lines nonresidential coverage from the corporation and any
520 policyholder of the corporation, when such applicant or
521 corporation policyholder is offered commercial lines residential
522 or commercial lines nonresidential coverage pursuant to the

594-02806-26

20261028c2

523 program by an approved surplus lines clearinghouse insurer,
524 remains eligible for coverage from the corporation. The
525 applicant or policyholder receiving an offer from an approved
526 surplus lines clearinghouse insurer may elect to accept such
527 coverage or may elect to accept or continue coverage with the
528 corporation.

529 2. Any applicant for new commercial lines residential
530 coverage or commercial lines nonresidential coverage from the
531 corporation and any policyholder of the corporation, when such
532 applicant or corporation policyholder is offered commercial
533 lines residential or commercial lines nonresidential coverage by
534 an approved surplus lines insurer pursuant to the program and
535 such offered coverage is comparable coverage, and the total cost
536 of such insurance coverage is not more than 20 percent greater
537 than the total cost of insurance coverage from the corporation,
538 may elect to accept such coverage from the approved surplus
539 lines clearinghouse insurer or may elect to accept or continue
540 coverage with the corporation, but, if electing corporation
541 coverage, such applicant or policyholder must pay the total cost
542 of insurance for corporation coverage that is subject to s.
543 627.351(6)(oo).

544 3. Section 627.351(6)(c.5.c.)(I) does not apply to an offer
545 of coverage from an approved surplus lines clearinghouse insurer
546 obtained through the program.

547 (7)(6) Independent insurance agents submitting new
548 applications for coverage or that are the agent of record on a
549 renewal policy submitted to the program:

550 (a) Are granted and must maintain ownership and the
551 exclusive use of expirations, records, or other written or

594-02806-26

20261028c2

552 electronic information directly related to such applications or
553 renewals written through the corporation or through an insurer
554 participating in the program, notwithstanding s. 627.351(5)(a),
555 s. 627.351(6)(c)5.a.(I)(B) and (II)(B) or s.
556 627.351(6)(c)5.b.(I)(B) and (II)(B). Such ownership is granted
557 for as long as the insured remains with the agency or until sold
558 or surrendered in writing by the agent. Contracts with the
559 corporation or required by the corporation or with any insurer
560 or surplus lines agent may ~~must~~ not amend, modify, interfere
561 with, or limit such rights of ownership. Such expirations,
562 records, or other written or electronic information may be used
563 to review an application, issue a policy, or for any other
564 purpose necessary for placing such business through the program.

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

568 (c) May accept an appointment from any insurer
569 participating in the program.

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

573
574 Applicants ineligible for coverage in accordance with subsection
575 (6) ~~(5)~~ remain ineligible if their independent agent is
576 unwilling or unable to enter into a standard or limited agency
577 agreement with an insurer participating in the program.

578 (8) ~~(7)~~ Exclusive agents submitting new applications for
579 coverage or that are the agent of record on a renewal policy
580 submitted to the program:

594-02806-26

20261028c2

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

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

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

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

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

594-02806-26

20261028c2

610 (9)-(8) Submission of an application for coverage by the
611 corporation to the program does not constitute the binding of
612 coverage by the corporation, and failure of the program to
613 obtain an offer of coverage by an insurer may not be considered
614 acceptance of coverage of the risk by the corporation.

615 (10)-(9) The 45-day notice of nonrenewal requirement set
616 forth in s. 627.4133(2)(b)5. applies when a policy is nonrenewed
617 by the corporation because the risk has received an offer of
618 coverage pursuant to this section which renders the risk
619 ineligible for coverage by the corporation.

620 ~~(10) The program may not include commercial nonresidential
621 policies.~~

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

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

630 1. Is identified by the insurer as proprietary business
631 information and is intended to be and is treated by the insurer
632 as private in that the disclosure of the information would cause
633 harm to the insurer, an individual, or the company's business
634 operations and has not been disclosed unless disclosed pursuant
635 to a statutory requirement, an order of a court or
636 administrative body, or a private agreement that provides that
637 the information will not be released to the public;

638 2. Is not otherwise readily ascertainable or publicly

594-02806-26

20261028c2

639 available by proper means by other persons from another source
640 in the same configuration as provided to the clearinghouse; and

641 3. Includes:

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

643 b. Information relating to competitive interests, the
644 disclosure of which would impair the competitive business of the
645 provider of the information.

646
647 Proprietary business information may be found in underwriting
648 criteria or instructions which are used to identify and select
649 risks through the program for an offer of coverage and are
650 shared with the clearinghouse to facilitate the shopping of
651 risks with the insurer.

652 (b) The clearinghouse may disclose confidential and exempt
653 proprietary business information:

654 1. If the insurer to which it pertains gives prior written
655 consent;

656 2. Pursuant to a court order; or

657 3. To another state agency in this or another state or to a
658 federal agency if the recipient agrees in writing to maintain
659 the confidential and exempt status of the document, material, or
660 other information and has verified in writing its legal
661 authority to maintain such confidentiality.

662 (12) To promote actuarial soundness, program integrity, and
663 mitigation of solvency or assessment risk to the corporation,
664 the office may review operational processes related to the
665 program. Such review may include, but is not limited to, all of
666 the following:

667 (a) Comparable coverage determinations upon complaint to

594-02806-26

20261028c2

668 the office by or on behalf of a policy applicant.

669 (b) Verification of the financial strength of approved
670 surplus lines clearinghouse insurers participating in the
671 program.

672 (c) The reasonableness of fees charged by the commercial
673 lines clearinghouse administrator.

674 (d) The operational processes used by the commercial lines
675 clearinghouse administrator to determine whether an offer of
676 coverage from an insurer participating in the program precludes
677 coverage from the corporation or requires an equalization
678 adjustment by the corporation.

679 (e) The potential for material adverse impact to the
680 corporation's surplus, solvency, or assessment exposure.

681 (13) (a) If, after a review under subsection (12), the
682 office determines that program processes are creating a material
683 risk to the solvency of the corporation, the office shall notify
684 the corporation and submit written recommendations to the
685 commission.

686 (b) Upon approval by the commission, the corporation may
687 temporarily implement recommendations made by the office to
688 address the solvency risk. Such recommendations may include, but
689 are not limited to, all of the following:

690 1. Temporary suspension of the equalization adjustment
691 authorized under s. 627.351(6)(oo).

692 2. Temporary exclusion of one or more participating
693 insurers from the program.

694 3. Temporary modification of program procedural timelines.

695 4. If exigent circumstances exist, temporary suspension of
696 the requirement that any applicant for new commercial

594-02806-26

20261028c2

697 residential coverage or commercial nonresidential coverage from
698 the corporation and any policyholder of the corporation submit
699 applications for coverage through the commercial lines
700 clearinghouse.

701 (14) This section does not authorize rebates or any
702 activity that would violate part IX of chapter 626. The
703 corporation and the commercial lines clearinghouse administrator
704 shall implement procedures to ensure that participating agents
705 and insurers are not induced to violate part IX of chapter 626.
706 The office may review such compliance procedures solely for the
707 purpose of submitting recommendations to the commission under
708 subsection (13).

709 Section 3. This act shall take effect upon becoming a law.