

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

594-02806-26

20261028c2

A bill to be entitled

An act relating to the Citizens Property Insurance Corporation; amending s. 627.351, F.S.; prohibiting the corporation from issuing or renewing coverage for commercial residential and commercial nonresidential risks under certain circumstances; prohibiting the corporation from imposing an equalization adjustment under certain circumstances; providing applicability; specifying the components of the total cost of insurance coverage; specifying that the corporation is not relieved from an obligation to impose an equalization adjustment under certain circumstances; specifying that certain adjustments expire at a specified time; defining the term "equalization adjustment"; amending s. 627.3518, F.S.; deleting an obsolete provision; defining terms; revising the definition of the term "program"; requiring the corporation to establish a personal lines clearinghouse for specified purposes; requiring, on or before a specified date, the corporation to amend its plan of operation and implement a commercial lines clearinghouse for a specified purpose; requiring, on or before a specified date, the corporation to implement a separate commercial lines clearinghouse for specified purposes; deleting obsolete provisions; revising the program's rights and responsibilities; revising the rights and responsibilities the corporation has in establishing the program; authorizing the corporation to share risk exposure and

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

circumstances; providing applicability; specifying that certain applicants and policyholders remain eligible for coverage from the corporation; authorizing such applicants and policyholders to elect to accept coverage from clearinghouse insurers or elect to accept or continue coverage with the corporation; authorizing certain applicants and policyholders of the corporation to elect to accept coverage from clearinghouse insurers or elect to accept or continue coverage with the corporation; requiring such applicants or policyholders to pay a specified total cost of insurance for corporation coverage; providing applicability; revising the rights and authorizations for certain independent insurance agents; deleting a prohibition relating to commercial nonresidential policies; authorizing the Office of Insurance Regulation to review certain operational processes related to the program; specifying the contents of such review; requiring the office to notify the corporation and submit written recommendations to the Financial Services Commission under certain circumstances; authorizing the corporation to temporarily implement certain recommendations; providing construction; requiring the corporation and the commercial lines clearinghouse administrator to implement specified procedures; authorizing the office to review such procedures; providing an effective date.

594-02806-26

20261028c2

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

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, if an approved surplus lines clearinghouse insurer offers coverage under s. 627.3518(6)(c)2. and the total cost of such coverage is not more than 20 percent greater than the total cost of insurance coverage from the corporation, the corporation may not issue or renew coverage unless it imposes an equalization adjustment on such policy equal to the amount by which the total cost of insurance coverage offered by the approved surplus lines clearinghouse insurer exceeds the total cost of insurance coverage from the corporation. If the total cost of insurance from the approved surplus lines clearinghouse insurer does not exceed the total cost of corporation coverage, the corporation may not impose the equalization adjustment. If more than one approved surplus lines clearinghouse insurer offers coverage under s. 627.3518(6)(c)2., the lowest offered total cost of insurance coverage applies for purposes of this paragraph. The total cost of insurance coverage includes, but is not limited to, the premium, fees, surcharges, and applicable taxes. An offer submitted by a surplus lines clearinghouse insurer which is declined by the applicant or policyholder, expires, or is not accepted by the applicant or policyholder for any reason does not relieve the corporation from its obligation, 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

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

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

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

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

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

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



594-02806-26

20261028c2

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

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

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

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

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

594-02806-26

20261028c2

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

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

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

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

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

594-02806-26

20261028c2

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

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

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

(m) May allow the commercial lines clearinghouse administrator to establish procedures and account clearance requirements the commercial lines clearinghouse administrator deems necessary to ensure an orderly process for offers of 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

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

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

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

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

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

594-02806-26

20261028c2

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

(6) (a) ~~(5)~~ Notwithstanding s. 627.3517, any applicant for new personal lines coverage from the corporation is not eligible for coverage from the corporation if provided an offer of comparable coverage from an authorized insurer through the program at a premium that is at or below the eligibility threshold for applicants for new coverage of a primary residence established in s. 627.351(6)(c)5.a., or for applicants for new coverage of a risk that is not a primary residence established in s. 627.351(6)(c)5.b. Whenever an offer of comparable coverage for a personal lines risk is received for a policyholder of the corporation at renewal from an authorized insurer through the program which is at or below the eligibility threshold for primary residences of policyholders of the corporation established in s. 627.351(6)(c)5.a., or the eligibility threshold for risks that are not primary residences of policyholders of the corporation established in s. 627.351(6)(c)5.b., the risk is not eligible for coverage with the corporation. In the event an offer of coverage for a new applicant is received from an authorized insurer through the program, and the premium offered exceeds the eligibility threshold for applicants for new coverage of a primary residence established in s. 627.351(6)(c)5.a., or the eligibility



594-02806-26

20261028c2

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

(b) Any applicant for new commercial lines residential coverage from the corporation is not eligible for coverage from the corporation if provided an offer of comparable coverage from the corporation as to all aspects of such coverage from an authorized insurer through the program at a premium that is at or below the eligibility threshold for applicants for new coverage established in s. 627.351(6)(c)5.c. The determination of whether an offer of comparable coverage from an authorized insurer through the program is at or below the eligibility threshold must be made before the submission of the 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

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(5)(a), 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). Such ownership is granted for as long as the insured remains with the agency or until sold or surrendered in writing by the agent. Contracts with the corporation or required by the corporation or with any insurer or surplus lines agent may ~~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) May accept an appointment from any insurer participating in the program.

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

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

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

594-02806-26

20261028c2

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

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

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

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

605  
606 Applicants ineligible for coverage in accordance with subsection  
607 (6) ~~(5)~~ remain ineligible if their exclusive agent is unwilling  
608 or unable to enter into a standard or limited agency agreement  
609 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

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

3. Includes:

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

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

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

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

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

2. Pursuant to a court order; or

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

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

(a) Comparable coverage determinations upon complaint to

594-02806-26

20261028c2

the office by or on behalf of a policy applicant.

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

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

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

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

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

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

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

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

3. Temporary modification of program procedural timelines.

4. If exigent circumstances exist, temporary suspension of 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.