



29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56

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

Section 1. Subsection (4) of section 626.752, Florida Statutes, is amended to read:

626.752 Exchange of business.—

(4) The foregoing limitations and restrictions shall not be construed and shall not apply to the placing of surplus lines business under the provisions of part VIII or to the activities of Citizens Property Insurance Corporation in placing new and renewal business with authorized insurers in accordance with the provisions of 627.3518.

Section 2. Section 627.3518, Florida Statutes, is created to read:

627.3518 Citizens Property Insurance Corporation policyholder eligibility clearinghouse program.—

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

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

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

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

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

57        (2) In order to confirm eligibility for coverage with the  
58 corporation, and to enhance access of applicants for coverage  
59 with the corporation and access of existing policyholders of the  
60 corporation to offers of coverage from authorized insurers at  
61 renewal, the corporation shall establish a clearinghouse  
62 program to facilitate the diversion of ineligible applicants and  
63 existing policyholders from the corporation into the voluntary  
64 insurance market.

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

74        (a) Require all new applications, and all policies due for  
75 renewal, to be submitted for coverage to the program or private  
76 alternative in order to facilitate obtaining an offer of  
77 coverage from an authorized insurer before binding or renewing  
78 coverage by the corporation.

79        (b) Employ or otherwise contract with individuals or other  
80 entities for appropriate administrative or professional services  
81 to effectuate the plan within the corporation in accordance with  
82 the applicable purchasing requirements under s. 627.351.

83        (c) Enter into contracts with any authorized or surplus  
84 lines insurer to participate in the program and accept an

85 appointment by such insurer.

86 (d) Provide funds to operate the program and charge a  
 87 reasonable fee as a percentage of agent commission to offset, or  
 88 partially offset, the costs of the program. Insurers  
 89 participating in the program may not be required to pay a fee or  
 90 use the program for renewals of any policy initially written  
 91 through the program.

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

95 (f) Require, before approving all new applications for  
 96 coverage by the corporation, that every application be subject  
 97 to a 48-hour period when any insurer participating in the  
 98 program may select the application for coverage. The insurer may  
 99 issue a binder on any policy selected for coverage for a period  
 100 of at least 30 days but not more than 60 days.

101 (g) Allow eligible surplus lines insurers to participate  
 102 and make offers of coverage. An offer of coverage may be made by  
 103 an eligible surplus lines insurer only if an authorized insurer  
 104 does not make an offer of coverage through the program. Surplus  
 105 lines insurers may offer premiums and coverages that are more  
 106 favorable than those offered in the corporation, and agents are  
 107 not required to compile three declinations from authorized  
 108 insurers before binding coverage with a surplus lines insurer.

109 (4) Any authorized or surplus lines insurer may  
 110 participate in the program; however, participation is not  
 111 mandatory for any insurer. Insurers making offers of coverage to  
 112 new applicants or renewal policyholders through the program:

113 (a) May not be required to individually appoint any agent  
114 whose customer is underwritten and bound through the program.  
115 Notwithstanding s. 626.112, insurers are not required to appoint  
116 any agent on a policy underwritten through the program for as  
117 long as that policy remains with the insurer. Insurers may, at  
118 their election, appoint any agent whose customer is initially  
119 underwritten and bound through the program. In the event an  
120 insurer accepts a policy from an agent who is not appointed  
121 pursuant to this paragraph, and thereafter elects to accept a  
122 policy from such agent, the provisions of s. 626.112 requiring  
123 appointment apply to the agent.

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

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

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

132 (5) Notwithstanding s. 627.3517, any applicant for new  
133 coverage from the corporation is not eligible for coverage from  
134 the corporation, if provided an offer of coverage from an  
135 authorized insurer through the program at premium that is at or  
136 below the eligibility threshold established in s.  
137 627.351(6)(c)5.a. and b. Whenever an offer of coverage for a  
138 personal lines or commercial lines risk is received for a  
139 policyholder of the corporation at renewal, notwithstanding any  
140 other provisions of law, if the offer is no more than 5 percent

141 above the corporation's renewal premium for comparable coverage,  
142 the risk is not eligible for coverage with the corporation. In  
143 the event an offer of coverage for a new applicant is received  
144 from an insurer, and the premium offered exceeds the eligibility  
145 threshold contained in s. 627.351(6)(c)5.a. and b., the  
146 applicant or insured may elect to accept such coverage, or may  
147 elect to accept or continue coverage with the corporation. In  
148 the event an offer of coverage for a personal lines or  
149 commercial lines risk is received from an insurer at renewal,  
150 and the premium offered is more than 5 percent above the  
151 corporation's renewal premium for comparable coverage, the  
152 insured may elect to accept such coverage, or may elect to  
153 accept or continue coverage with the corporation. Any applicant  
154 for new coverage from the corporation, and policyholders of all  
155 policies for renewal, if provided an offer of coverage from a  
156 surplus lines insurer, are not required to accept such offer,  
157 and may be accepted for coverage or renewed by the corporation  
158 at the applicant's or policyholder's option. Sub-sub-  
159 subparagraphs 627.351(6)(c)5.a.(I) and b.(I) do not apply to an  
160 offer of coverage from an authorized insurer obtained through  
161 the program.

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

165 (a) Must maintain ownership and the exclusive use of  
166 expirations, records, or other written or electronic information  
167 directly related to such applications or renewals written  
168 through the corporation or through an insurer participating in

169 the program, notwithstanding the provisions of s.  
 170 627.351(6)(c)5.a.(I)(B) and (II)(B). Contracts with the  
 171 corporation or required by the corporation must not amend,  
 172 modify, interfere with, or limit such rights of ownership. Such  
 173 expirations, records, or other written or electronic information  
 174 may be used to review an application, issue a policy, or for any  
 175 other purpose necessary for placing such business through the  
 176 program.

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

180 (c) May accept an appointment from any insurer  
 181 participating in the program.

182 (d) Must enter into either a standard or limited agency  
 183 agreement with the insurer, at the insurer's option.

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

187 (a) Must maintain ownership and the exclusive use of  
 188 expirations, records, or other written or electronic information  
 189 directly related to such applications or renewals written  
 190 through the corporation or through an insurer participating in  
 191 the program, notwithstanding the provisions of s.

192 627.351(6)(c)5.a.(I)(B) and (II)(B). Contracts with the  
 193 corporation or required by the corporation must not amend,  
 194 modify, interfere with, or limit such rights of ownership. Such  
 195 expirations, records, or other written or electronic information  
 196 may be used to review an application, issue a policy, or for any

197 | other purpose necessary for placing such business through the  
 198 | program.

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

202 | (c) Must accept an offer of coverage from any insurer  
 203 | whose limited servicing agreement is approved by that agent's  
 204 | exclusive insurer as eligible to participate in the program with  
 205 | that insurer's exclusive agents.

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

212 | (8) To promote private market initiatives to obtain offers  
 213 | of coverage from authorized and surplus lines insurers for  
 214 | applicants for coverage by the corporation and the corporation's  
 215 | policyholders on renewal, the corporation shall, by January 1,  
 216 | 2014, publish reasonable standards for the recognition of  
 217 | private alternatives to the submission of a risk to the program.  
 218 | Such private alternatives to the program may act in a master  
 219 | agency arrangement for producing agents who may be appointed as  
 220 | sub-agents of the master agency utilizing such private  
 221 | alternatives for the submission of risks to the program. The  
 222 | alternative option permitted under this subsection is an  
 223 | alternative and not a replacement for the program established  
 224 | under this section. Neither the program nor any private entity

PCB IBS 13-01

ORIGINAL

2013

225 operating under this subsection may prohibit insurers that elect  
226 to participate from participating in more than one program or  
227 alternative; however, any insurer participating in the private  
228 entity must also participate in the program.

229 (9) Submission of an application for coverage by the  
230 corporation to the program does not constitute the binding of  
231 coverage by the corporation, and failure of the program to  
232 obtain an offer of coverage by an insurer may not be considered  
233 acceptance of coverage of the risk by the corporation.

234 Section 3. This act shall take effect July 1, 2013.