

Amendment No.

CHAMBER ACTION

Senate

House

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Representative Nelson offered the following:

**Amendment to Amendment (648292) (with title amendment)**

Between lines 4 and 5 of the amendment, insert:

Section 44. Section 627.3518, Florida Statutes, is created to read:

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

(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

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17 the provisions of that contract to directly write for any other  
18 unaffiliated insurer absent express consent from the company or  
19 group of affiliated insurance companies.

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

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

24 (2) In order to confirm eligibility with the corporation  
25 and to enhance access of new applicants for coverage and  
26 existing policyholders of the corporation to offers of coverage  
27 from authorized insurers, the corporation shall establish a  
28 program for personal residential risks in order to facilitate  
29 the diversion of ineligible applicants and existing  
30 policyholders from the corporation into the voluntary insurance  
31 market. The corporation shall also develop appropriate  
32 procedures for facilitating the diversion of ineligible  
33 applicants and existing policyholders for commercial residential  
34 coverage into the private insurance market and shall report such  
35 procedures to the President of the Senate and the Speaker of the  
36 House of Representatives by January 1, 2014.

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

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

49 (b) Employ or otherwise contract with individuals or other  
50 entities for appropriate administrative or professional services  
51 to effectuate the plan within the corporation in accordance with  
52 the applicable purchasing requirements under s. 627.351.

53 (c) Enter into contracts with any authorized insurer to  
54 participate in the program and accept an appointment by such  
55 insurer.

56 (d) Provide funds to operate the program. Insurers and  
57 agents participating in the program are not required to pay a  
58 fee to offset or partially offset the cost of the program or use  
59 the program for renewal of policies initially written through  
60 the clearinghouse.

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

64 (f) For personal lines residential risks, require, before  
65 approving all new applications for coverage by the corporation,  
66 that every application be subject to a period of 2 business days  
67 when any insurer participating in the program may select the  
68 application for coverage. The insurer may issue a binder on any  
69 policy selected for coverage for a period of at least 30 days  
70 but not more than 60 days.

71 (4) Any authorized insurer may participate in the program;  
72 however, participation is not mandatory for any insurer.

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73 Insurers making offers of coverage to new applicants or renewal  
74 policyholders through the program:

75 (a) May not be required to individually appoint any agent  
76 whose customer is underwritten and bound through the program.  
77 Notwithstanding s. 626.112, insurers are not required to appoint  
78 any agent on a policy underwritten through the program for as  
79 long as that policy remains with the insurer. Insurers may, at  
80 their election, appoint any agent whose customer is initially  
81 underwritten and bound through the program. In the event an  
82 insurer accepts a policy from an agent who is not appointed  
83 pursuant to this paragraph, and thereafter elects to accept a  
84 policy from such agent, the provisions of s. 626.112 requiring  
85 appointment apply to the agent.

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

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

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

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

98 (f) Must pay to the producing agent a commission equal to  
99 that paid by the corporation or the usual and customary

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100 commission paid by the insurer for that line of business,  
101 whichever is greater.

102 (5) Notwithstanding s. 627.3517, any applicant for new  
103 coverage from the corporation is not eligible for coverage from  
104 the corporation, if provided an offer of coverage from an  
105 authorized insurer through the program at a premium that is at  
106 or below the eligibility threshold established in s.  
107 627.351(6)(c)5.a. Whenever an offer of coverage for a personal  
108 lines risk is received for a policyholder of the corporation at  
109 renewal from an authorized insurer through the program, if the  
110 offer is equal to or less than the corporation's renewal premium  
111 for comparable coverage, the risk is not eligible for coverage  
112 with the corporation. In the event an offer of coverage for a  
113 new applicant is received from an authorized insurer through the  
114 program, and the premium offered exceeds the eligibility  
115 threshold contained in s. 627.351(6)(c)5.a., the applicant or  
116 insured may elect to accept such coverage, or may elect to  
117 accept or continue coverage with the corporation. In the event  
118 an offer of coverage for a personal lines risk is received from  
119 an authorized insurer at renewal through the program, and the  
120 premium offered is more than the corporation's renewal premium  
121 for comparable coverage, the insured may elect to accept such  
122 coverage, or may elect to accept or continue coverage with the  
123 corporation. Sub-sub-subparagraph 627.351(6)(c)5.a.(I) does not  
124 apply to an offer of coverage from an authorized insurer  
125 obtained through the program. An applicant for coverage from the  
126 corporation who was previously declared ineligible for coverage  
127 at renewal by the corporation in the previous 36 months due to

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128 an offer of coverage pursuant to this subsection shall be  
129 considered a renewal under this section if the corporation  
130 determines that the authorized insurer making the offer of  
131 coverage pursuant to this subsection continues to insure the  
132 applicant and increased the rate on the policy in excess of the  
133 increase allowed for the corporation under s. 627.351(6)(n)6.

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

137 (a) Are granted and must maintain ownership and the  
138 exclusive use of expirations, records, or other written or  
139 electronic information directly related to such applications or  
140 renewals written through the corporation or through an insurer  
141 participating in the program, notwithstanding s.  
142 627.351(6)(c)5.a.(I)(B) and (II)(B). Such ownership is granted  
143 for as long as the insured remains with the agency or until sold  
144 or surrendered in writing by the agent. Contracts with the  
145 corporation or required by the corporation must not amend,  
146 modify, interfere with, or limit such rights of ownership. Such  
147 expirations, records, or other written or electronic information  
148 may be used to review an application, issue a policy, or for any  
149 other purpose necessary for placing such business through the  
150 program.

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

154 (c) May accept an appointment from any insurer  
155 participating in the program.

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156 (d) May enter into either a standard or limited agency  
157 agreement with the insurer, at the insurer's option.

158  
159 Applicants ineligible for coverage in accordance with subsection  
160 (5) remain ineligible if their independent agent is unwilling or  
161 unable to enter into a standard or limited agency agreement with  
162 an insurer participating in the program.

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

166 (a) Must maintain ownership and the exclusive use of  
167 expirations, records, or other written or electronic information  
168 directly related to such applications or renewals written  
169 through the corporation or through an insurer participating in  
170 the program, notwithstanding s. 627.351(6)(c)5.a.(I)(B) and  
171 (II)(B). Contracts with the corporation or required by the  
172 corporation must not amend, modify, interfere with, or limit  
173 such rights of ownership. Such expirations, records, or other  
174 written or electronic information may be used to review an  
175 application, issue a policy, or for any other purpose necessary  
176 for placing such business through the 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) Must only facilitate the placement of an offer of  
181 coverage from an insurer whose limited servicing agreement is  
182 approved by that exclusive agent's exclusive insurer.

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

189  
190 Applicants ineligible for coverage in accordance with subsection  
191 (5) remain ineligible if their exclusive agent is unwilling or  
192 unable to enter into a standard or limited agency agreement with  
193 an insurer making an offer of coverage to that applicant.

194 (8) Submission of an application for coverage by the  
195 corporation to the program does not constitute the binding of  
196 coverage by the corporation, and failure of the program to  
197 obtain an offer of coverage by an insurer may not be considered  
198 acceptance of coverage of the risk by the corporation.

199 (9) The 45-day notice of nonrenewal requirement set forth  
200 in s. 627.4133(2)(b)4.b. applies when a policy is nonrenewed by  
201 the corporation because the risk has received an offer of  
202 coverage pursuant to this section which renders the risk  
203 ineligible for coverage by the corporation.

204 (10) The program may not include commercial nonresidential  
205 policies.

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

209 Remove line 52 of the amendment and insert:

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210 payment limitations; creating s. 627.3518, F.S.;

211 providing purpose; providing definitions; requiring

212 the creation of a clearinghouse program within the

213 corporation; specifying the purposes of the program;

214 requiring the corporation to provide a report to the

215 Legislature; specifying certain rights and

216 responsibilities with respect to the program;

217 authorizing the corporation to take specified actions

218 in establishing the program; providing conditions and

219 requirements relating to the participation of insurers

220 in the program; providing conditions, requirements,

221 limitations, and procedures applicable to offers of

222 coverage with respect to applicants for coverage with

223 the corporation and existing policyholders of the

224 corporation; providing requirements for certain

225 independent insurance agents and exclusive agents with

226 respect to submitting applications for coverage or

227 policies for renewal to the program; providing for

228 applicability and construction; amending s. 627.744,

229 F.S.;