

CHAPTER 2026-150

Committee Substitute for Committee Substitute for Senate Bill No. 1028

An act relating to the Citizens Property Insurance Corporation; amending s. 627.351, F.S.; prohibiting the corporation from issuing new coverage for commercial residential and commercial nonresidential risks under certain circumstances; providing an exception; defining the term “total cost of insurance coverage for the specific risk”; 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 separate 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; requiring certain risks to be eligible for submission to the commercial lines clearinghouse for surplus lines insurance under certain circumstances; deleting obsolete provisions; revising the program’s rights and responsibilities; revising the rights and responsibilities the corporation has in establishing the program; providing construction; requiring the corporation to share risk exposure and policy information with the commercial lines clearinghouse administrator for the commercial lines clearinghouse for surplus lines insurance; authorizing such administrator to use such information for a specified purpose; providing construction; requiring that certain risk information be aggregated and deidentified; authorizing authorized insurers to participate in the personal lines clearinghouse or the commercial lines clearinghouse for authorized insurers; authorizing surplus lines clearinghouse insurers to participate in the commercial lines clearinghouse for surplus lines insurance; prohibiting such insurers from participating in the personal lines clearinghouse or the commercial lines clearinghouse for authorized insurance; specifying that participation in the program is not mandatory for such insurers; revising prohibitions and requirements for insurers making offers of coverage to new applicants or renewal policyholders through the program; providing construction; defining the term “effective commission percentage”; specifying that applicants for new or renewal commercial lines nonresidential coverage from the corporation are not eligible for coverage from the corporation under certain circumstances; specifying that applicants for new commercial lines residential coverage are not eligible for coverage from the corporation under certain circumstances; specifying the circumstances under which policyholders of the corporation are not eligible for new commercial lines residential coverage from the corporation; requiring that the determination of whether an offer of comparable coverage from an authorized insurer is at or below the eligibility threshold be made at a specified time; authorizing applicants or insureds to elect to accept coverage with authorized insurers or elect to accept or continue coverage

with the corporation under certain circumstances; authorizing insureds to elect to accept coverage with specified insurers or elect to accept or continue coverage with the corporation under certain circumstances; providing applicability; specifying that certain applicants and policyholders become ineligible for coverage from the corporation under certain circumstances; authorizing applicants or policyholders to elect to accept certain coverage under certain circumstances; providing applicability; revising the rights and authorizations for certain independent insurance agents; providing applicability; requiring the commercial lines clearinghouse administrator for the commercial lines clearinghouse for surplus lines insurance to give the first-named insured a specified notice within a specified timeframe under certain circumstances; deleting a prohibition relating to commercial nonresidential policies; requiring the office to review and approve the program through final order; requiring the office to specifically approve certain items; prohibiting the corporation from applying discretionary rate adjustments to certain risks; providing construction; requiring the corporation and each commercial lines clearinghouse administrator to implement certain procedures; providing a directive to the Division of Law Revision; providing an effective date.

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

Section 2. Section 627.3518, Florida Statutes, is amended 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) “Applicable program standards” means the insurer participation eligibility criteria, contractual requirements, and account clearance requirements the commercial lines clearinghouse administrator and the corporation deem necessary to ensure an orderly process for offers of comparable coverage to be provided by approved surplus lines clearinghouse insurers.

(b) “Approved surplus lines clearinghouse insurer” means an eligible surplus lines insurer pursuant to s. 626.918 which has a financial strength rating of “A-” or higher and a financial size category of A-VII or higher from A.M. Best Company which the clearinghouse administrator recommends for participation in the program and which the office verifies meets the applicable program standards for participation in the program within 30 business days after the commercial lines clearinghouse administrator’s recommendation. If the office does not complete such verification within the 30-business-day period, the insurer is deemed verified for purposes of participation in the program.

(c) “Authorized insurer” means an insurer authorized to act as an insurer by a subsisting certificate of authority issued to the insurer by the office.

(d) “Commercial lines clearinghouse administrator” means an individual or entity employed or otherwise contracted by the corporation to provide administrative or professional services to implement the commercial lines clearinghouse for authorized insurance or the commercial lines clearinghouse for surplus lines insurance within the corporation as set forth in paragraph (3)(b).

(e) “Commercial lines clearinghouse for authorized insurance” means the clearinghouse program established under subparagraph (2)(b)2.

(f) “Commercial lines clearinghouse for surplus lines insurance” means the clearinghouse program established under subparagraph (2)(b)1.

(g) “Comparable coverage” means, for purposes of the commercial lines clearinghouse for authorized insurance and the commercial lines clearinghouse for surplus lines insurance, coverage that is equivalent to or better than coverage from the corporation as to all aspects of such coverage, as determined by the corporation through the clearinghouse process and applicable program standards. Administrative, procedural, and other such terms and conditions may not be considered when assessing comparable coverage.

(h) “Corporation” means the Citizens Property Insurance Corporation.

(i)(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.

(j)(e) “Independent agent” means any licensed insurance agent not described in paragraph (i) (b).

(k) “Personal lines clearinghouse” means the clearinghouse program established under paragraph (2)(a).

(l) “Primary residence” has the same meaning as in s. 627.351(6)(c)2.a.

(m)(d) “Program” means the clearinghouses ~~clearinghouse~~ created under this section, consisting of the personal lines clearinghouse, the commercial lines clearinghouse for authorized insurance, and the commercial lines clearinghouse for surplus lines insurance.

(n) “Surplus lines agent” means an insurance agent licensed pursuant to s. 626.927 or s. 626.9272.

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

~~(2)(a) The corporation shall establish a personal lines clearinghouse in order to confirm an applicant’s eligibility with the corporation, and to enhance access of new applicants for personal lines coverage and existing personal lines policyholders of the corporation to offers of coverage from authorized insurers, and the corporation shall establish a program for personal residential risks in order to facilitate the diversion of ineligible applicants and existing policyholders from the corporation into the voluntary insurance market.~~

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

~~2. To facilitate the diversion of ineligible applicants and existing policyholders from the corporation to authorized insurers, the corporation shall implement, on or before January 1, 2027, a separate commercial lines clearinghouse pursuant to this subparagraph to confirm eligibility for coverage from the corporation and to enhance access to offers of coverage from authorized insurers for new applicants for commercial residential and commercial nonresidential coverage and existing commercial residential and commercial nonresidential policyholders of the corporation. If no offer of comparable coverage from an authorized insurer through the program at a premium that is at or below the eligibility threshold is made through the~~

~~commercial lines clearinghouse for authorized insurance pursuant to this subparagraph within 5 days after receipt of a submission, the risk shall be eligible for submission to the commercial lines clearinghouse for surplus lines insurance. The corporation shall also develop appropriate procedures for facilitating the diversion of ineligible applicants and existing policyholders 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 and may, but is not 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. Shall 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. Must, when the corporation establishes a commercial lines clearinghouse for authorized insurance, require all new applications for commercial lines coverage, and all commercial lines policies due for renewal, to be initially submitted for coverage to the commercial lines clearinghouse for authorized insurance in order to facilitate obtaining an offer of coverage from an authorized insurer. The commercial lines clearinghouse for authorized insurance shall serve as the single initial point of intake in order to facilitate obtaining an offer of coverage from an authorized insurer.~~

~~3. Must, when the corporation establishes a commercial lines clearinghouse for surplus lines insurance, require all new applications for commercial lines coverage, and all commercial lines policies due for renewal, following the completion of the process described in subparagraph 2., to be submitted for coverage to the commercial lines clearinghouse for surplus lines insurance in order to facilitate obtaining an offer of coverage from an approved surplus lines clearinghouse insurer. The commercial lines clearinghouse for surplus lines insurance shall serve as the single point of intake for the commercial lines clearinghouse in order to facilitate obtaining an offer of coverage from an approved surplus lines clearinghouse insurer before the corporation may quote, bind, or otherwise indicate or offer coverage. This paragraph may not prevent an insured from submitting at any time an application to the commercial lines clearinghouse for surplus lines insurance seeking noncomparable coverage from approved surplus~~

lines clearinghouse insurers as authorized by paragraph (5)(f) before binding or renewing coverage by the corporation.

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

(c) Shall 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 for surplus lines insurance for providing offers of coverage from approved surplus lines clearinghouse insurers on or before January 1, 2027, may contract with such individuals or entities in accordance with s. 287.057.

(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 personal lines clearinghouse and the commercial lines clearinghouse for authorized insurance program. Insurers and agents participating in the personal lines clearinghouse or the commercial lines clearinghouse for authorized insurance 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.

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

(g) Must, if there is insufficient commercial support for any commercial lines clearinghouse, be relieved of its obligations with respect to that commercial lines clearinghouse until such time there is sufficient 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 for surplus lines insurance 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 for surplus lines insurance.

(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 personal lines clearinghouse program may select the application for coverage.~~ For commercial lines residential and commercial lines nonresidential risks, the corporation must require, before approving all new applications for commercial lines coverage by the corporation, that every application be subject to an initial period of 5 business days when any authorized insurer participating in the commercial lines clearinghouse for authorized insurance may select the application for coverage. The authorized 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 for authorized insurance and the commercial lines clearinghouse for surplus lines insurance, establish criteria to determine the capabilities necessary for the commercial lines clearinghouse administrators. 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 for surplus lines insurance, and other criteria that the corporation determines necessary to effectively and timely establish and administer the commercial lines clearinghouse for surplus lines insurance, manage offers of surplus lines coverage through the commercial lines clearinghouse for surplus lines insurance, 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 for the commercial lines clearinghouse for authorized insurance and a separate commercial lines clearinghouse administrator for the commercial lines clearinghouse for surplus lines insurance within 90 days after the effective date of this act.

(m) Shall allow the commercial lines clearinghouse administrators to establish applicable program standards and procedures to ensure an orderly process for offers of coverage to be provided by authorized insurers or approved surplus lines clearinghouse insurers, including engagement of or with surplus lines agents or managing general agents or managing general underwriters pursuant to paragraph (5)(h), participating in the commercial lines clearinghouse for surplus lines insurance.

(n) Shall submit to the commercial lines clearinghouse administrator for the commercial lines clearinghouse for surplus lines insurance its coverage terms and conditions, deductible structures, total cost of insurance coverage

for the specific risk, the currently approved rate applicable to the risk, and the premium that would be charged after application of s. 627.351(6)(n)5. The commercial lines clearinghouse administrator shall disclose the total cost of insurance coverage to participating approved surplus lines clearinghouse insurers following the commercial lines clearinghouse administrator's receipt of a comparable coverage offer from such participating approved surplus lines clearinghouse insurer. Any change to the corporation's coverage terms and conditions, deductible structures, rating classification, total cost of insurance coverage for the specific risk, or rating factor constitutes a new submission and restarts the validation period. The commercial lines clearinghouse administrator for the commercial lines clearinghouse for surplus lines insurance shall enter into agreements with approved surplus lines clearinghouse insurers participating in the commercial lines clearinghouse for surplus lines insurance.

(4) The corporation shall share risk exposure and policy information with the commercial lines clearinghouse administrator for the commercial lines clearinghouse for surplus lines insurance and, through the commercial lines clearinghouse for surplus lines insurance, the commercial lines clearinghouse administrator for the commercial lines clearinghouse for surplus lines insurance may use such information as necessary to operate and administer the commercial lines clearinghouse for surplus lines insurance and ensure the orderly, timely, and transparent assessment of risks by approved surplus lines clearinghouse insurers participating in the commercial lines clearinghouse for surplus lines insurance. This subsection does not prohibit a commercial lines clearinghouse administrator from sharing risk information with approved surplus lines clearinghouse insurers for underwriting evaluation. Any risk information shared for purposes of this subsection, other than a submission of coverage for a specific risk, must be aggregated and deidentified.

(5) Any authorized insurer may participate in the personal lines clearinghouse or the commercial lines clearinghouse for authorized insurance program; however, participation is not mandatory for any insurer. Approved surplus lines clearinghouse insurers may participate in the commercial lines clearinghouse for surplus lines insurance but may not participate in the personal lines clearinghouse or the commercial lines clearinghouse for authorized insurance; however, participation is not mandatory for any surplus lines insurer. Insurers making offers of coverage to new applicants or renewal policyholders through the program:

(a) May not be required to individually appoint any agent whose customer is underwritten and bound through the program. Notwithstanding s. 626.112, insurers are not required to appoint any agent on a policy underwritten through the program for as long as that policy remains with the insurer. Insurers may, at their election, appoint any agent or surplus lines agent whose direct or indirect customer is initially underwritten and bound through the program. In the event an insurer accepts a policy from an agent who is not appointed pursuant to this paragraph, and thereafter elects

to accept a policy from such agent, the provisions of s. 626.112 requiring appointment apply to the agent.

(b) Must enter into a limited agency agreement with each agent or surplus lines agent that is not appointed in accordance with paragraph (a) and whose direct or indirect customer is underwritten and bound through the program. In addition, a surplus lines agent that enters into a limited 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.

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

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

(g)(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.

(h) For approved surplus lines clearinghouse insurers, when coverage is placed through the commercial lines clearinghouse for surplus lines insurance, directly or through a managing general agent or managing general underwriter, must pay a total commission or equivalent compensation on gross written premium, exclusive of fees, surcharges, and taxes, to the surplus lines agent placing the risk. The surplus lines agent 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 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 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 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 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 or renewal commercial lines nonresidential 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. 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 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 structures, and unalterable indicated total cost of insurance for the specific risk is provided to the commercial lines clearinghouse administrator. Whenever an offer of comparable coverage for a commercial lines residential 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 in s. 627.351(6)(c)5.c., the risk is not eligible for coverage from the corporation. In the event that 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 established in s. 627.351(6)(c)5.c., the applicant or insured may elect to accept such coverage or may elect to accept or continue coverage with the corporation. In the event that an offer of coverage for a commercial lines residential risk is received from an authorized insurer at renewal through the program, and the premium offered exceeds the eligibility threshold for policyholders of the corporation established in s. 627.351(6)(c)5.c., 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.c.(I) does not apply to an offer of coverage from an authorized insurer obtained through the program.

(c) Any applicant for new commercial lines residential coverage or commercial lines nonresidential coverage from the corporation and any policyholder of the corporation, when such applicant or corporation policyholder is offered commercial lines residential or commercial lines nonresidential coverage pursuant to the program by an approved surplus lines clearinghouse insurer, becomes ineligible for coverage from the corporation if an approved surplus lines clearinghouse insurer offers comparable coverage and the total cost of insurance coverage for the specific risk is not more than 15 percent greater than the total cost of insurance coverage for the specific risk from the corporation. In the event that an offer of coverage for a new applicant or policyholder of the corporation is received from an approved surplus lines clearinghouse insurer through the program, and the total cost of insurance coverage is more than 15 percent greater than the total cost of insurance coverage for the specific risk from the corporation, the applicant or policyholder of the corporation may elect to accept such coverage or may elect to accept or continue coverage with the corporation. Section 627.351(6)(c)5.c.(I) does not apply to an offer of coverage from an approved surplus lines clearinghouse insurer obtained through the program.

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

(a) Are granted and 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(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:

(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.

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

(10)(9) The 45-day notice of nonrenewal requirement set forth in s. 627.4133(2)(b)5. applies when a policy is nonrenewed by the corporation because the risk has received an offer of coverage from an authorized insurer pursuant to this section which renders the risk ineligible for coverage by the corporation. Section 627.4133 does not apply when a policy is nonrenewed by the corporation because the risk has received an offer of coverage from an approved surplus lines clearinghouse insurer pursuant to this section which renders the risk ineligible for coverage by the corporation. Within 5 days after the date an approved surplus lines clearinghouse insurer makes an offer of coverage pursuant to this section which renders the risk ineligible for coverage by the corporation, the commercial lines clearinghouse administrator for the commercial lines clearinghouse for surplus lines insurance must, on behalf of the corporation, give the first-named insured written notice of nonrenewal stating the reason as to why the policy is not to be renewed. If the commercial lines clearinghouse administrator for the commercial lines clearinghouse for surplus lines insurance fails to provide the notice as required by this paragraph, paragraph (6)(c) does not apply to the risk.

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

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

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

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

2. Is not otherwise readily ascertainable or publicly 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) Within 3 months after the effective date of this act and annually thereafter, unless waived by the office in its sole discretion, the office shall review and approve the program through a final order. At a minimum, the office must specifically approve all of the following items:

(a) The applicable program standards.

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

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

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

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

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

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

(14) This section does not authorize rebates or any activity that would violate part IX of chapter 626. The corporation and each commercial lines clearinghouse administrator shall implement procedures to ensure that participating agents and insurers are not induced to violate part IX of chapter 626.

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

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

Approved by the Governor June 16, 2026.

Filed in Office Secretary of State June 16, 2026.