

By the Committee on Banking and Insurance; and Senator Horne

311-1754-00

1 A bill to be entitled
2 An act relating to bail bond premiums; creating
3 s. 624.4094, F.S.; requiring reporting of net
4 amounts of certain bail bond premiums;
5 providing a minimum requirement for direct
6 written premiums for bail bonds; providing
7 application; providing reporting requirements
8 for assumed premiums; requiring recordkeeping;
9 requiring disclosure of certain information in
10 annual statements; providing an effective date.

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

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14 Section 1. Section 624.4094, Florida Statutes, is
15 created to read:

16 624.4094 Bail bond premiums.--

17 (1) The Legislature finds that a significant portion
18 of bail bond premiums is retained by the licensed bail bond
19 agents or licensed managing general agents. For purposes of
20 reporting in financial statements required to be filed with
21 the department pursuant to s. 624.424, direct written premiums
22 for bail bonds by a domestic insurer in this state shall be
23 reported net of any amounts retained by licensed bail bond
24 agents or licensed managing general agents. However, in no
25 case shall the direct written premiums for bail bonds be less
26 than 6.5 percent of the total consideration received by the
27 agent for all bail bonds written by the agent. This subsection
28 also applies to any determination of compliance with s.
29 624.4095.

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1 (2) Premiums assumed by a domestic insurer shall be
2 reported consistent with subsections (1) and (4) for purposes
3 of filing financial statements with the department.

4 (3) Each domestic bail bond insurer shall keep
5 complete and accurate records of the total consideration paid
6 for all bail bonds written by such insurer.

7 (4) Each domestic bail bond insurer shall disclose the
8 following information in the notes to the financial statement
9 in the insurer's annual statement filed with the department:

10 (a) The gross bail bond premiums written in each state
11 by agents for the company.

12 (b) The amount of premium taxes incurred by the
13 company in each state.

14 (c) Total consideration withheld by agents and not
15 reported as an expense by the insurer in financial statements
16 filed with the department.

17 (d) The amount of bail bond premium included on the
18 surety line of the annual statement filed with the department.

19 (5) This section does not affect the reporting or
20 payment of insurance premium taxes under ss. 624.509,
21 624.5091, and 624.5092, and the insurance premium tax and
22 related excise taxes shall continue to be calculated using
23 gross bail bond premiums.

24 Section 2. This act shall take effect October 1, 2000
25 and shall apply to premiums written for calendar year 2000 and
26 thereafter.

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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
Committee Substitute for
Senate Bill 1560

1. Requires insurers to report in the notes of the financial statements the amount of bail bond premium included on the surety line of the annual statement filed with the Department of Insurance. The reporting of this information is necessary for calculating the premium tax liability.
2. Specifies that the bill does not affect the reporting or payment of insurance premium taxes under ss. 624.509, 624.5091, and 624.5092, and the insurance premium tax and related excise taxes would continue to be calculated using the gross bail bond premiums.
3. Specifies that the act would apply to premiums written for calendar year 2000 and thereafter.