

By the Committee on Banking and Insurance; and Senator Horne

311-1774-01

1 A bill to be entitled
2 An act relating to surety bonds; amending s.
3 625.071, F.S.; modifying the amount of reserve
4 which surety insurers may maintain on bail
5 bonds and judicial bonds in lieu of the
6 unearned premium reserve required under s.
7 625.051, F.S.; providing financial reporting
8 requirements; providing an effective date.

9
10 Be It Enacted by the Legislature of the State of Florida:

11
12 Section 1. Section 625.071, Florida Statutes, is
13 amended to read:

14 625.071 Special reserve for bail and judicial
15 bonds.--In lieu of the unearned premium reserve required on
16 surety bonds under s. 625.051, the department may require any
17 surety insurer or limited surety insurer to set up and
18 maintain a reserve on all bail bonds or other single-premium
19 bonds without definite expiration date, furnished in judicial
20 proceedings, equal to the lesser of 35 25 percent of the bail
21 premiums in force or \$7 per \$1,000 of bail liability. Such
22 reserve shall be reported as a liability in financial
23 statements required to be filed with the department. Each
24 insurer shall file a supplementary schedule showing bail
25 premiums in force and bail liability and the associated
26 special reserve for bail and judicial bonds with financial
27 statements required by s. 624.424. Bail premiums in force do
28 not include amounts retained by licensed bail bond agents or
29 licensed managing general agents, but may not be less than 6.5
30 percent of the total consideration received for all bail bonds
31 in force ~~total consideration charged for such bonds as are~~

1 ~~outstanding as of the date of any current financial statement~~
2 ~~of the insurer.~~

3 Section 2. This act shall take effect July 1, 2001.

4

5 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
6 COMMITTEE SUBSTITUTE FOR
7 SB 1722

7

8 Provides that the special reserve requirement that surety
9 insurers must establish for bail bonds must be equal to the
10 lesser of 35 percent of the bail premiums in force or \$7 per
11 \$1,000 of bail liability. The bail premiums would not include
amounts retained by licensed bail bond agents, but may not be
less than 6.5 percent of the total consideration received for
all bail bonds in force.

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31