

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 642

INTRODUCER: Senator Burgess

SUBJECT: Foreign and Alien Bail Bond Insurers

DATE: January 14, 2026 REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Johnson	Knudson	BI	Favorable
2. _____	_____	CJ	_____
3. _____	_____	RC	_____

I. Summary:

SB 642 requires foreign and alien bail bond insurers doing business in Florida authorized to transact surety business in Florida to report bail bond premiums and other related information to the Office of Insurance Regulation (OIR) in the same manner that is required currently of domestic bail bond insurers. SB 642 requires such foreign and alien bail bond insurers to:

- Report bail bond premiums to the OIR net of any amounts retained by licensed bail bond agents or appointed managing general agents.
- Establish direct written premiums for bail bonds which may not be less than 6.5 percent of the total consideration received by the agent for all bail bonds written by the agent.
- Apply the prescribed reporting requirements to bail bond premiums assumed by foreign, and alien insurers for purposes of filing financial statements with OIR.
- Maintain records of the total consideration paid by the foreign and alien insurers for bail bonds written by the insurer.
- Disclose the following information in the notes to the financial statements in the annual statements filed with OIR:
 - Gross premiums written in each state by the agents of the insurer;
 - Premium taxes incurred by the insurer in each state;
 - Total consideration withheld by agents and not reported as an expense by the insurer; and
 - The amount of bail bond premium included in the surety line of the insurer's annual statement as filed with the OIR.

II. Present Situation:

Regulation of Bail Bond Agents

Bail is a guarantee by a third party that a defendant in a criminal case will appear in court at all judicial proceedings.¹ Chapter 903, F.S., sets forth the requirements relating to bail and bail bonds. A bail bond agent posts a bond to secure the defendant's release² from custody; the defendant provides money or other collateral³ to secure the bail bond; and forfeits the premium if the defendant fails to appear in court or comply with other conditions of the bond.⁴ A bail bond is a type of surety bond.⁵

Chapter 648, F.S., governs the regulation of bail bond agents and the business of issuing bail bonds, with the chapter being enforced by the Department of Financial Services (DFS).⁶

Generally, bail bond agents are appointed by insurers to execute bail bonds.⁷ Licensed bail bond agents are required to charge a premium in exchange for granting the surety bond.⁸

Bail bond rates are subject to the requirements of part I of ch. 627, F.S. A bail bond agent may not execute a bail bond without charging a premium, and the premium rate may not exceed or be less than the premium rate as filed and approved by OIR.⁹ Generally, the premium paid or retained by the bail bond agent is split between the bail bond agent, the managing general agent, and the insurer. Bail bond agents retain a large portion of the premium because of the risk retained by the agent and because of the work performed in obtaining collateral and ensuring that the defendant appears in court.¹⁰ If the defendant does not appear in court, the agent is responsible for paying the amount of the bond to the court.

Regulation of Bail Bond Insurance

The Office of Insurance Regulation (OIR)¹¹ is responsible for the regulation of all activities of insurers and other risk-bearing entities, including licensure, rates,¹² policy forms, market conduct, claims, solvency, administrative supervision, as provided under the Florida Insurance Code (code).¹³

¹ Section 903.046, F.S.

² Section 903.035, F.S.

³ Section 648.442, F.S.

⁴ Sections 903.26 and 903.27, F.S.

⁵ Section 624.606, F.S.

⁶ Section 648.30, F.S.

⁷ A bail bond agent may either be a limited surety agent who is appointed by a surety insurance company to execute or countersign bail bonds, or a professional bail bond agent who pledges his or her own funds as security for a bail bond. Sections 648.30 and 648.40.

⁸ Section 648.33(2), F.S.

⁹ Section 648.33, F.S.

¹⁰ Section 624.4094(1), F.S.

¹¹ The OIR is an office under the Financial Services Commission (commission), which is composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture. The commission is not subject to control, supervision, or direction by the Department of Financial Services in any manner, including purchasing, transactions involving real or personal property, personnel, or budgetary matters. Section 20.121(3), F.S.

¹² Pursuant to s. 627.062(1), F.S., rates may not be excessive, inadequate, or unfairly discriminatory.

¹³ Section 20.121(3)(a)1., F.S.

For purposes of the code, a domestic insurer is an insurer formed under the laws of Florida.¹⁴ A foreign insurer is one formed under the laws of any state, district, territory, or commonwealth of the United States other than Florida.¹⁵ An alien insurer is an insurer other than a domestic or foreign insurer.¹⁶

An insurer must obtain a certificate of authority from the OIR to transact business in Florida.¹⁷ As part of the licensure process, an insurer must meet minimum surplus and capital requirements¹⁸ and other provisions of part III, ch. 624, F.S. Policy forms and rates are subject to approval by the OIR.¹⁹

General Premium Writing Restrictions

Section 624.4095, F.S., prohibits an insurer's ratio of actual or projected annual written premiums to current or projected surplus as to policyholders from exceeding 10 to 1 for gross written premiums or 4 to 1 for net written premiums. The term, "gross premiums written," means direct premiums written and reinsurance assumed.²⁰

Bail Bond Premiums

Prior to 2000, Florida domestic bail bond insurers were required to report premiums on a gross basis, not net of premiums retained by an agent, while some foreign insurers, domiciled in certain states, were authorized by their state regulator to report premiums net of premiums retained by the bail bond agent, which resulted in a Florida domestic insurer reporting higher premiums than other insurers writing the same business, thereby limiting the premium writing capacity of a Florida domestic insurer and placing the domestic insurer at a competitive disadvantage with foreign insurers whose state of domicile allowed for a deduction for premiums.²¹

In 2000, legislation was enacted to address this concern.²² Section. 624.4094, F.S., prescribes the method for calculating direct written premiums for domestic bail bond insurers for purposes of underwriting capacity and financial reporting as prescribed in s. 624.4095, F.S. "Direct written premium," must be reported net of any amounts retained by licensed bail bond agents, and the direct written premiums for domestic bail bond insurers may not be less than 6.5 percent of the total consideration received by the agent for all bail bonds written by the agent.²³

General Financial Reporting

¹⁴ Section 624.06(1), F.S.

¹⁵ Section 624.06(2), F.S.

¹⁶ Section 624.06(3), F.S.

¹⁷ Section 624.401, F.S.

¹⁸ Section 624.404, F.S.

¹⁹ Part I, ch. 627, F.S.

²⁰ Section 624.4095(3), F.S.

²¹ South Carolina Department of Insurance, Bulletin 2010-11, Bail Bond Premiums Reporting (Oct. 12, 2010), <https://doi.sc.gov/DocumentCenter/View/2798/Bulletin-2010-11-Bail-Bond-Premium-Reporting> and TX Ins Code ss. 3503.203 and 3503.204.

²² Ch. 2000-126, Laws of Fla.

²³ Section 624.4094(1), F.S.,

The OIR requires insurers to submit financial statements and audits to assist the OIR in monitoring the solvency of insurers. The way financial information is compiled and reported by an insurer is determined by the state in which the insurer is domiciled.²⁴ Therefore, foreign and alien insurers writing business in Florida compile financial reports in accordance with the law of their state or country of domicile.

An authorized insurer is required to file an annual statement with OIR on or before March 1 for the preceding calendar year.²⁵ The filing includes Florida specific information regarding direct premiums written by line of insurance written. Quarterly statements covering the periods ending March 31, June 30, and September 30 must be filed within 45 days after each date. In addition, each authorized insurer is required to submit an audit report on the financial statements on or before June 1 for the preceding year.²⁶

The National Association of Insurance Commissioners' (NAIC) Statement of Statutory Accounting Principles (SSAP) No. 53 sets forth property and casualty insurers, including surety premium, reporting obligations. The current reporting requirements of section 624.4094, F.S., deviate from the accounting guidelines of SSAP No. 53. The guidelines provide that the definition of the term, "net written premiums" means the direct premiums, plus the reinsurance assumed premiums, less the reinsurance ceded premiums.²⁷ The term, "direct premiums, includes all premiums arising from policies issued by the insurer acting as the primary insurance carrier.²⁸ These premiums should be adjusted for any return or additional premiums arising from endorsements, cancellations, audits, and retrospective rating plans.²⁹ Unlike other types of insurers, domestic bail bond insurers file their required financial reports with the OIR, based on premiums collected net of any amounts retained by agents.³⁰

Premium Taxes and Related Taxes

Bail bond insurers are subject to insurance premium taxes and related excise taxes under ss. 624.509, 624.5091, and 624.5092, F.S.³¹ Each insurer is required annually to pay the Department of Revenue a tax on insurance premiums in an amount equal to 1.75 percent of the direct written premiums for bail bonds, excluding any amounts retained by licensed bail bond agents, and received during the preceding calendar year, pursuant to s. 624.509(1)(c), F.S.

²⁴ Sections 624.424 and 624.4241, F.S.

²⁵ Section 624.424, F.S.

²⁶ Section 624.424(8), F.S.

²⁷ National Association of Insurance Commissioners, Statutory Issue Paper No. 53, Property Casualty Contracts – Premiums (Mar. 16, 1998), Original SSAP and Current Authoritative Guidance: SSAP No. 53, <https://content.naic.org/sites/default/files/inline-files/053-O.pdf> (last visited Dec. 29, 2025). Net written premiums are shown in the Underwriting and Investment Exhibit of the annual statement.

²⁸ *Id.*

²⁹ *Id.*

³⁰ Section 624.4094(1), F.S.

³¹ Section 624.4094(5), F.S.

III. Effect of Proposed Changes:

Section 1 amends s. 624.4094, F.S., to subject alien and foreign bail bond insurers doing business in Florida to the current reporting requirements applicable to domestic bail bond insurers. For purposes of financial reporting to the Office of Insurance Regulation (OIR), the bill requires alien and foreign bail bond insurers doing business in Florida to:

- Report direct written premiums for bail bonds net of any amounts retained by licensed bail bond agents or appointed managing general agents.
- Establish direct written premiums for bail bond insurance which may not be less than 6.5 percent of the total consideration received by the agent for all bail bonds written by the agent;
- Apply the same reporting requirements to premiums assumed by a foreign or alien insurer;
- Keep records of the total consideration paid for bail bonds written; and
- Disclose the following information in the notes to the financial statements in the insurer's annual statement filed with the OIR:
 - Gross bail bond premiums written in each state by the agents of the insurer;
 - Premium taxes incurred by the insurer in each state;
 - Total consideration withheld by agents and not reported as an expense by the insurer; and
 - The total amount of bail bond premium included in the surety line of the annual statement.

Section 2 provides the act takes effect July 1, 2026.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Under current law, only domestic bail bond insurers transacting business in Florida are prohibited from having direct written premiums for bail bonds that are less than 6.5 percent of the total consideration received by the agent for all bail bond insurance written. The bill would apply this requirement and corresponding reporting requirements to foreign and alien bail bond insurers.

However, applying to foreign and alien bail bond insurers the domestic bail bond reporting requirements and the prohibition against having direct written premiums for bail bonds less than 6.5 percent of the total consideration retained by the agent may conflict with the statutory requirements applicable to foreign and alien insurers in their home states or states of domicile.³²

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

According to the Office of Insurance Regulation, implementation of this bill may encroach on the jurisdiction of other state regulators and may constitute regulatory overreach, as it mandates that both foreign and domestic insurers disclose information that their home states may not require.³³

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 624.4094 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

³² Office of Insurance Regulation, 2026 Agency Legislative Bill Analysis of HB 271 (identical to SB 642) (Nov. 24, 2025).

³³ *Id.*