

Committee Substitute for Senate Bill No. 1722

An act relating to surety bonds; amending s. 625.071, F.S.; modifying the amount of reserve which surety insurers may maintain on bail bonds and judicial bonds in lieu of the unearned premium reserve required under s. 625.051, F.S.; providing financial reporting requirements; providing an effective date.

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

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

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

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

Approved by the Governor June 15, 2001.

Filed in Office Secretary of State June 15, 2001.