

1 HB35  
2 157910-2  
3 By Representative Hill (M)  
4 RFD: Insurance  
5 First Read: 03-MAR-15  
6 PFD: 02/18/2015

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ENROLLED, An Act,

Relating to insurance; to provide for the unearned premium reserve for bail bond surety insurers; and for this purpose to add Section 27-36-3.1 to the Code of Alabama 1975.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 27-36-3.1 is added to the Code of Alabama 1975, to read as follows:

§27-36-3.1.

In lieu of the unearned premium reserve required in Section 27-36-3, the Commissioner of Insurance may require any surety insurer or limited insurer to set up and maintain a reserve on all bail bonds or other single-premium bonds without a definite expiration date, furnished in judicial proceedings, equal to the lesser of 35 percent of the bail premiums in force or seven dollars (\$7) per one thousand dollars (\$1,000) of bail liability. This reserve shall be reported as a liability in financial statements required to be filed with the commissioner. 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 Section 27-3-26. Bail premiums in force do not include amounts retained by licensed bail bond agents or licensed managing

1       general agents, but may not be less than 6.5 percent of the  
2       total consideration received for all bail bonds in force.

3               Section 2. This act shall become effective  
4       immediately following its passage and approval by the  
5       Governor, or its otherwise becoming law.

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Speaker of the House of Representatives

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President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in  
and was passed by the House 23-APR-15.

Jeff Woodard  
Clerk

Senate

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04-JUN-15

Passed