



DOMESTIC AND FOREIGN INSURERS BULLETIN NO. 1 (Revised)

**TO: ALL INSURANCE CARRIERS SEEKING TO TRANSACT INSURANCE
IN DELAWARE AND OTHER INTERESTED PARTIES**

RE: QUALIFICATIONS FOR ADMISSION OF DOMESTIC COMPANIES

**DATED: July 30, 1975 (Original No. 75-15)
Amended effective July 1, 1979
Amended April 15, 1992
Amended September 28, 2001
Revised November 15, 2021**

The purpose of the 2021 revisions to this bulletin are to:

1. Update Section VI concerning:
 - a. The application fee – increased from \$700 to \$1000;
 - b. The Authority fee – increased from \$100 to \$150;
 - c. Applications for Certificates of Authority; and
2. Make minor revisions to add code section references and website hyperlinks.

I. INCORPORATION

Stock and Mutual companies must submit to the Department a certificate of incorporation in good standing authorized pursuant to the requirements of the General Corporation Law of Delaware, Title 8 of the Delaware Code. The Delaware Insurance Code, Title 18 of the Delaware Code, does not contain any specific incorporation requirements.

Note that incorporation in Delaware alone does not entitle a company to engage in the business of insurance. Transacting the business of insurance in Delaware may be exercised only after the Insurance Commissioner issues of a Certificate of Authority pursuant to 18 *Del. C.* § 507.

NOTE: This Bulletin is intended solely for informational purposes. It is not intended to set forth legal rights, duties, or privileges, nor is it intended to provide legal advice. Readers should consult applicable statutes and rules and contact the Delaware Department of Insurance if additional information is needed.

II. MINIMUM FINANCIAL REQUIREMENTS FOR ISSUANCE OF CERTIFICATE OF AUTHORITY

- (a) Stock Company - See 18 *Del. C.* c. 5
- (b) Mutual Company - See 18 *Del. C.* c. 49

III. DEPOSIT ELIGIBILITY REQUIREMENTS

18 *Del. C.* § 1503 contains eligibility criteria for deposits. The Department requires minimum and special deposits be placed under an Escrow Agreement with any established Delaware bank or trust company selected by the Commissioner pursuant to 18 *Del. C.* § 1504. A list of banks selected by the Commissioner can be found at: [Banks-Trust-Companies-Auth-in-DE-as-of-4.22.20.pdf \(delaware.gov\)](#).

A sample escrow agreement is available at: [ESCROW-AGREEMENT.pdf \(delaware.gov\)](#).

If for any reason the market value of assets of an insurer held on deposit in this State as required under Title 18 falls below the required amount, the insurer shall promptly deposit additional assets eligible for deposit sufficient to cure the deficiency. Determination of sufficiency or deficiency of deposits rests with the insurer. Unresolved deficiencies may result in the revocation of a certificate of authority pursuant to 18 *Del. C.* § 1511.

IV. MINIMUM DEPOSIT

A domestic insurer, other than a title insurer, must continuously maintain a deposit of not less than \$100,000 (market value) in cash or cash equivalents eligible pursuant to 18 *Del. C.* § 1503, for the protection of all policyholders wherever located or all its policyholders in the United States or all its policyholders and creditors pursuant to 18 *Del. C.* § 513(f).

Title insurers must continuously maintain \$25,000 on deposit pursuant to 18 *Del. C.* § 513(d).

V. SPECIAL DEPOSITS

Special deposits are required in the following amounts:

Companies authorized to write surety insurance	\$10,000 (18 <i>Del. C.</i> § 513(b))
Companies authorized to write workers' compensation and employers' liability insurance	\$100,000 (18 <i>Del. C.</i> § 513(c))

Pursuant to 18 *Del. C.* § 513(b), the special deposit for surety is not required if the company possesses paid-in capital and surplus of \$10,000,000 or more and continuously maintains on deposit in this State through the Commissioner, or in another state, cash or cash equivalents eligible for such deposit under the laws of this State or of such other state of a fair market value of not less than \$400,000 for the protection of all its policyholders wherever located or of all of its policyholders in the United States or of its policyholders and creditors.

VI. APPLICATIONS FOR CERTIFICATES OF AUTHORITY

Applications for a certificate of authority must be completed on a UCAA Primary Application form. Forms and additional UCAA information are available at: [UCAA Applications - Delaware Department of Insurance - State of Delaware](#). The application fee is \$1,000.00 pursuant [18 Del. C. § 701\(1\)\(a\)](#).

Upon satisfactory review of the requirements and materials set forth in I, II, III, IV, V, VI, and all applicable statutory requirements, the Department will advise of same and request remittance of the certificate of authority issuance fee of \$150 pursuant to [18 Del. C. § 701 \(1\)\(b\)](#). Upon receipt of this fee, the Department will issue a Certificate of Authority to the Company.

Any questions, comments or requests for clarification about this Bulletin should be emailed to berg@delaware.gov.

This Bulletin shall be effective immediately and shall remain in effect unless withdrawn or superseded by subsequent law, regulation, or bulletin.



Trinidad Navarro

Delaware Insurance Commissioner