



UNIVERSALLY APPLICABLE BULLETIN NO. 1

TO: ANYONE ENGAGED IN ANY ASPECT OF THE BUSINESS OF INSURANCE IN DELAWARE INCLUDING BUT NOT LIMITED TO INSURERS, INTERMEDIARIES INCLUDING PRODUCERS (AGENTS, BROKERS AND DIRECT WRITERS), AND UNDERWRITERS

RE: FALSE OR MISLEADING REPRESENTATIONS CONCERNING HOW INSURANCE RATES ARE SET IN DELAWARE

DATED: May 8, 2017

REISSUED: August 7, 2023

This bulletin is being reissued because the Department continues to regularly receive complaints advising that various members of the insurance industry, including insurers and brokers, have been responding to consumer inquiries related to premium rate increases by claiming that the Department has required an insurer to raise the premium rates.

The purpose of this Universally Applicable Bulletin No. 1 is to remind any and all persons and companies engaged in any aspect of the business of insurance in Delaware, regardless of the line or lines of insurance offered, that, pursuant to 18 Del.C. § 2304(2) it is unlawful to “. . . [make] any assertion, representation or statement with respect to the business of insurance or with respect to any person in the conduct of the insurance business, which is untrue, deceptive or misleading.”

Additionally, any misrepresentation of any provision of the Delaware Code or of the Delaware Administrative Code is a violation of 18 Del.C. § 2304(2) and, pursuant to 18 Del.C. § 2308, is punishable by an administrative penalty of up to \$10,000 for each violation and revocation of the person’s license if the person knows or reasonably knows they are violating the statute.

The criteria according to which the Department evaluates rates proposed by insurers are set forth with specificity at 18 Del.C. § 2503. When an insured questions a premium increase, the Department expects producers to obtain a full explanation of the premium increase from the insurance company and provide that information to the insured. It is the Department’s position that explanations to consumers regarding

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.

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premium rate increases that suggests that the Department is responsible or is otherwise the cause for premium rate increase constitutes a violation of 18 Del.C. § 2304(2) and will be prosecuted accordingly.

Any questions, comments or requests for clarification about this bulletin should be emailed to compliance@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