

CHAPTER 376  
FORMERLY  
SENATE BILL NO. 231

AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO INSURANCE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 309(a), Title 18, of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 309 Delegation of powers; duties.

(a) The Commissioner may delegate to the Commissioner's Deputy, authorized representative, examiner or an employee of the Department the exercise or discharge in the Commissioner's name of any power, duty or function, whether ministerial, discretionary or of whatever character vested in or imposed upon the Commissioner under this title.

Section 2. Amend § 330(b), Title 18, of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 330 Immunity from liability.

(b) No cause of action shall arise nor shall any liability be imposed against any person for the act of communicating or delivering information or data to the Commissioner or the Commissioner's authorized representative or examiner pursuant to an examination, investigation, or regulatory inquiry made under this chapter, if such an act of communication or delivery was performed in good faith and without fraudulent intent or intent to deceive.

Section 3. Amend § 520(a), Title 18, of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 520 Suspension or revocation of certificate of authority — Discretionary and special grounds.

(a) The Commissioner may, in his or her discretion, refuse to continue or may suspend or revoke an insurer's certificate of authority if he or she finds after a hearing thereon, or upon waiver of hearing by the insurer, that the insurer has violated or failed to comply with any lawful order of the Commissioner, or has wilfully violated or wilfully failed to comply with any lawful regulation of the Commissioner, or has violated any provision of this title or any other title of the Delaware Code applicable to insurers other than those for violation of which suspension or revocation is mandatory, or, in lieu of such suspension or revocation, the Commissioner may, in his or her discretion, levy upon the insurer, and the insurer shall pay forthwith, an administrative fine of not over \$5,000.

Section 4. Amend § 2708(4), Title 18, of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2708 Consent of insured; life, health insurance.

No life or health insurance contract upon an individual, except a contract of group life insurance or of group or blanket health insurance, shall be made or effectuated unless at the time of the making of the contract the individual insured, being of competent legal capacity to contract, applies therefor or has consented thereto in writing, except in the following cases:

(4) An employer, or the trustee of a trust described in § 2704(c)(3) of this title, may effectuate insurance under an employer-owned life insurance policy, as defined in § 2704(e) of this title, upon any employee in whom it has an insurable interest, and the employer or trustee, as the case may be, shall not be required to notify employees of the effectuation of such insurance or obtain their consent. The insurer and any investment sub-advisors shall:

a. ~~Use~~ use best efforts to direct securities transactions relating to such employer-owned variable life insurance policies utilizing separate accounts, through a securities agent licensed and located in this State, as opposed to a securities agent licensed and located in another state, unless a better price for the identical security (securities) is available through the securities agent located in that other state; ~~and~~.

b. ~~[This paragraph may have been repealed, effective Feb. 10, 1998, by 71 Del. Laws, c. 239, § 3.] Direct all insurance and annuity transactions relating to such employer-owned life insurance policies through an insurance agent or broker licensed and located in this State.~~

Section 5. Amend § 3819, Title 18, of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 3819 Confidentiality of documents.

Applications, filings and reports required under this chapter, except contracts referred to in ~~3803(a)(4)~~ 3803(c)(4) and (5) of this title, shall be treated as public documents and shall not be considered confidential.

Approved August 10, 2016