

LAWS OF DELAWARE  
VOLUME 84  
CHAPTER 392  
152nd GENERAL ASSEMBLY  
FORMERLY  
SENATE BILL NO. 249

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

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

Section 1. Amend § 6905, Title 18, of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 6905. Minimum capital and surplus; letter of credit.

(a) No captive insurance company shall be issued a certificate of authority unless it shall possess and thereafter maintain capital and surplus of:

- (1) In the case of a pure captive insurance company, not less than \$250,000;
- (2) In the case of an association captive insurance company, not less than \$750,000;
- (3) In the case of an industrial insured captive insurance company, not less than \$500,000;
- (4) In the case of an agency captive insurance company, not less than \$250,000;
- (5) In the case of a risk retention group, not less than \$1,000,000;
- (6) In the case of a sponsored captive insurance company, not less than \$500,000;
- (7) In the case of a special purpose captive insurance company, not less than \$250,000 or such other amount

determined by the Commissioner;

(8) In the case of a branch captive insurance company, not less than \$250,000 or such other amount determined by the Commissioner;

(9) In the case of a special purpose financial captive insurance company that is also a sponsored captive insurance company, not less than \$500,000, and in the case of a special purpose financial captive insurance company that is not also a sponsored captive insurance company, not less than \$250,000; and

(10) In the case of a series captive insurance company, the minimum capital and surplus shall be an amount as specified by the Commissioner.

(b) In connection with the issuance of a certificate of authority, the Commissioner may prescribe additional minimum capital and surplus based upon the type, volume, and nature of insurance business transacted.

(c) (1) Minimum capital and surplus described in paragraphs (a)(1)-(9) of this section shall be maintained in this State and may be in the form of cash, an irrevocable letter of credit issued by a financial institution chartered by or licensed or otherwise authorized to do banking business in this State, or by any other financial institution approved by the Commissioner, or such other assets as may be approved by the Commissioner.

(2) Minimum capital and surplus described in this section held in the form of cash or other assets approved by the Commissioner shall be maintained in a financial institution approved by the Commissioner and in compliance with any condition imposed by the Commissioner.

(d) Notwithstanding the foregoing, the minimum capital and surplus funds may be proceeds received by the captive insurance company resulting from the issuance by the captive insurance company of a surplus note as approved by the Commissioner.

Approved August 29, 2024