

LAWS OF DELAWARE
VOLUME 84
CHAPTER 512
152nd GENERAL ASSEMBLY
FORMERLY
HOUSE BILL NO. 371

AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO THE STATE FIRE PREVENTION COMMISSION, FIRE COMPANIES OR DEPARTMENTS, AND THE STATE INSURANCE COVERAGE OFFICE.

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

Section 1. Amend § 705, Title 18 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 705. Reporting by insurers of gross ~~premiums and~~ premiums; payments to fire companies ~~based thereon.~~
or departments and the State Insurance Coverage Office based on the Insurance Commissioner's reports.

(a)(1) Every insurance company receiving premiums for covering risks of loss on any real or personal property within the limits of this State from fire, other allied lines, homeowners multiple peril, commercial multiple peril (nonliability portion), multiple peril crop, farmowners multiple peril, federal flood, ocean marine, inland marine, earthquake, private passenger automobile physical damage, commercial automobile physical damage and aircraft (all perils) shall annually, at the same time that ~~such~~ the insurance company files ~~its~~ the insurance company's annual report as required by law, deliver to the Insurance Commissioner a full detailed statement of the amount of gross premiums of all such business done by ~~such a~~ the insurance company in the City of Wilmington, in the County of New Castle outside the City of Wilmington, in Kent ~~County~~ County, and in Sussex County, less return and reinsurance premiums received from other companies or by any agent or agents of ~~such~~ the insurance company, in cash or otherwise, for the year ending on the previous December 31, ~~including therein~~ 31.

(2) For purposes of this section, "City of Wilmington" means the area consisting of zip codes 19801, 19802, 19805, and 19806.

(3) The insurance company must include in its statement an allocation of the portion of the gross premiums coverage allocable to each of the above areas: the City of Wilmington, the County of New Castle outside the City of Wilmington, Kent County, and Sussex County.

(4) This ~~This~~ The statement ~~shall~~ must be verified by the oath or affirmation of the insurance company's president or vice-president and secretary or other officer, and the statement ~~shall~~ must be on a form prepared and furnished by the Insurance Commissioner for that purpose.

(5) The Insurance Commissioner ~~shall have the power and authority to~~ may request and receive additional information regarding any insurance company's business of covering the types of risks of loss stated in paragraph (a)(1) of this subsection. ~~section.~~ Failure to give the Insurance Commissioner the requested information ~~shall be~~ is good cause, under § 520 of this title, for revocation of any certificate of authority of any insurance company so ignoring the request.

(b) The Insurance Commissioner shall ascertain and report to the State Treasurer, on or before ~~April 1~~ May 15 of each year, the ~~information contained in the statements and such other information as the Insurance Commissioner has obtained from the insurance companies pursuant to subsection (a) of this section; and after receipt of such report, the State Treasurer shall pay a total sum equivalent to 3³/₄% reduced by payments made pursuant to subsection (c) of this section during the preceding year of all such premiums obtained for writing in Delaware the types of coverage stated in subsection (a) of this section from a special fund, which shall consist of a sum equivalent to 3³/₄% reduced by payments made pursuant to subsection (c) of this section during the preceding year of all such premiums obtained for writing in Delaware the types of coverage stated in subsection (a) of this section, to the Treasurer of the City of Wilmington and to the fire companies registering, as provided in subsection (d) of this section, in the proportions stated in subsection (e) of this section. Such payment shall be made by the State Treasurer from this special fund on or before May 1 of each year. Payments to the special fund shall be made out of fees and taxes deposited with the State Treasurer by the Insurance Commissioner, not including those funds received under § 707 of this title.~~

(c) ~~On or before September 15 of each year, the Insurance Commissioner shall ascertain and report to the State Treasurer, based on information contained in statements filed pursuant to this section, the amount which equals 3³/₄% of the amount reflected in such statements as to the total premium obtained during the preceding calendar year for writing in Delaware the types of coverage stated in subsection (a) of this section, and the State Treasurer shall pay such amount to the Treasurer of the City of Wilmington and to the fire companies registering as provided in subsection (d) of this section, in the proportions stated in subsection (e) of this section. Such payment shall be made by the State Treasurer from a special fund created for this purpose on or before October 31 of each year. Payments to the special fund shall be made out of fees and taxes deposited with the State Treasurer by the Insurance Commissioner, not including those funds per § 707 of this title. following information:~~

(1) The information contained in the statements under paragraph (a)(1) of this section and such other information as the Insurance Commissioner has obtained from the insurance companies under subsection (a) of this section.

(2) The proportions in which the sum described in subsection (c) of this section is to be allocated among, and the actual amounts due to, the Treasurer of the City of Wilmington and to the member fire companies or departments of this State. The allocations and amounts must be calculated as follows:

a. The sum of the premiums attributable to the City of Wilmington is to be allocated to the Treasurer of the City of Wilmington.

b. The sum of the premiums attributable to the County of New Castle, outside the City of Wilmington, is to be divided and allocated equally among the fire companies or departments in the County of New Castle outside of the City of Wilmington.

c. The sum of the premiums attributable to Kent County is to be divided and allocated equally among the fire companies or departments in Kent County.

d. The sum of the premiums attributable to Sussex County is to be divided and allocated equally among the fire companies or departments in Sussex County.

~~(e) The Insurance Commissioner shall ascertain the proportions of the sums described in subsections (b) and (c) of this section and the actual amount thereby due to the Treasurer of the City of Wilmington and to the member departments identified in the report filed by the Delaware Volunteer Firefighter's Association with the Insurance Commissioner pursuant to subsection (d) of this section and the State Treasurer shall then make payments in such amounts, which funds shall be used for assisting and maintaining the fire department or companies of this State. The payments to the City of Wilmington shall be used only for its Firemen's Pension Fund of the Bureau of Fire in the City of Wilmington.~~

(c)(1) After receipt of the report under subsection (b) of this section, and not later than July 15 of each year, the State Treasurer shall pay, in the proportions stated in paragraph (b)(2) of this section, the total sum in the special fund established under paragraph (c)(2) of this section to the Treasurer of the City of Wilmington and to the fire companies or departments of this State.

(2) The special fund is to consist of a sum equivalent to 3¼% of all the premiums obtained for writing in Delaware during the preceding year the types of coverage stated in paragraph (a)(1) of this section. Payments

to the special fund are to be made out of taxes deposited with the State Treasurer by the Insurance Commissioner, not including those funds received under § 707 of this title.

(d) Payments made from the special fund under paragraph (c)(1) of this section are to be used as follows:

(1) For the City of Wilmington, for the Firemen's Pension Fund of the Bureau of Fire in the City of Wilmington.

(2) For the County of New Castle outside the City of Wilmington, Kent County, and Sussex County, for assisting and maintaining the fire companies or departments in each of these areas.

~~(d)~~ (e) The Delaware Volunteer Firefighter's Association shall annually submit to the Insurance Commissioner and the State Fire Prevention Commission a report giving their location, apparatus and equipment maintained for its member fire companies and departments for use by the Commissioner in calculating the funding ~~under this chapter.~~ or departments.

~~(f) All insurance companies writing the types of coverage described in subsection (a) of this section within this State shall be required to reduce their premiums on all such coverage written in Delaware, under the rate filing in effect on January 1, 1972, by the sum of 3½% of all such premiums, unless such rate filing then in effect shall have made allowance for no more than a 2% premium tax. All future rate filings covering the types of coverage described in subsection (a) of this section within this State shall make allowance for no more than 2% premium tax, unless the premium tax shall be changed after January 1, 1972, [the effective date of this Act], in which case they the insurance companies may make allowance therein in the rate filings for no more than the then effective premium tax.~~

~~(g)~~ (1) On or before ~~July 1~~ May 15 of each year, the Insurance Commissioner shall ascertain and report to the State Treasurer, based on information contained in statements filed ~~pursuant to~~ under this section, the amount which equals 0.08% of the amount reflected in ~~such~~ the statements as to the total premium obtained during the preceding calendar year for writing in Delaware the types of coverage stated in subsection (a) of this ~~section,~~ section.

~~(2) and~~ After receipt of the report under paragraph (g)(1) of this section, the State Treasurer shall pay ~~such~~ the reported amount to the State Insurance Coverage Office for purposes of funding the premium payment required to be paid by the State Insurance Coverage Office under § 6707B of this title.

(3) Payments to the State Insurance Coverage Office under this section ~~shall~~ are to be paid out of fees and taxes deposited with the State Treasurer by the Insurance Commissioner, not including those funds received under § 707 of this title.

Section 2. Amend § 6707B, Title 18 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 6707B. Source of funding and administration of such policy.

(a) Administration of this policy and funding will be through the State Insurance Coverage Office. A separate budget line will be established in which the funds will be transferred from the State Treasurer to the State Insurance Coverage Office, pursuant to § ~~705(f)~~ 705(g) of this title, who will be responsible for paying the premium for the policy. In any policy year, should the amounts transferred pursuant to § ~~705(f)~~ 705(g) of this title be insufficient to fund the premium for the policy, the Fund as defined in § 6501 of this title will make up the ~~short fall~~. shortfall.

Section 3. This Act is effective January 1, 2025.

Approved October 29, 2024