



SPONSOR: Rep. Bush & Sen. Mantzavinos
Reps. Baumbach, Bolden, Carson, Harris; Sen. Walsh

HOUSE OF REPRESENTATIVES
152nd GENERAL ASSEMBLY

HOUSE BILL NO. 47

AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO AUTHORIZATION OF INSURERS AND GENERAL REQUIREMENTS.

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

1 Section 1. Amend § 511, Title 18, of the Delaware Code by making deletions as shown by strike through and
2 insertions as shown by underlining as follows:

3 § 511 Capital funds required.

4 (a) To transact any 1 kind of insurance (as defined in Chapter 9 of this title), or combinations of kinds of insurance
5 as shown below, an insurer shall possess and thereafter maintain in cash or cash equivalents unimpaired paid-in capital
6 stock (if a stock insurer) or a capital account (if an insurance department or division of a corporation established under
7 Chapter 7 or regulated under Chapter 9 of Title 5) or unimpaired basic surplus (if a foreign mutual or a reciprocal insurer),
8 and when first so authorized shall possess and maintain free surplus, all in amounts not less than as follows:

9 Kind or kinds of insurance

	Stock insurers		Mutual Insurers		Reciprocal insurers	
	Capital stock Free surplus		Basic surplus Free surplus		Basic surplus Free surplus	
10						
11						
12	Life					
13	\$300,000	\$150,000	\$300,000	\$150,000
14	<u>\$650,000</u>	<u>\$350,000</u>	<u>\$650,000</u>	<u>\$350,000</u>		
15	Health					
16	300,000	150,000	300,000	150,000	300,000	150,000
17	<u>\$650,000</u>	<u>\$350,000</u>	<u>\$650,000</u>	<u>\$350,000</u>	<u>\$650,000</u>	<u>\$350,000</u>
18	Life & health					
19	350,000	200,000	350,000	200,000
20	<u>\$650,000</u>	<u>\$350,000</u>	<u>\$650,000</u>	<u>\$350,000</u>		
21	Property					
22	300,000	150,000	300,000	150,000	300,000	150,000

23	<u>\$650,000</u>	<u>\$350,000</u>	<u>\$650,000</u>	<u>\$350,000</u>	<u>\$650,000</u>	<u>\$350,000</u>
24	Casualty					
25	400,000	200,000	400,000	200,000	400,000	200,000
26	<u>\$650,000</u>	<u>\$350,000</u>	<u>\$650,000</u>	<u>\$350,000</u>	<u>\$650,000</u>	<u>\$350,000</u>
27	Marine & transportation					
28	350,000	175,000	350,000	175,000	350,000	175,000
29	<u>\$650,000</u>	<u>\$350,000</u>	<u>\$650,000</u>	<u>\$350,000</u>	<u>\$650,000</u>	<u>\$350,000</u>
30	Surety					
31	300,000	150,000	300,000	150,000	300,000	150,000
32	<u>\$650,000</u>	<u>\$350,000</u>	<u>\$650,000</u>	<u>\$350,000</u>	<u>\$650,000</u>	<u>\$350,000</u>
33	Multiple line					
34	500,000	250,000	500,000	250,000	500,000	250,000
35	<u>\$650,000</u>	<u>\$350,000</u>	<u>\$650,000</u>	<u>\$350,000</u>	<u>\$650,000</u>	<u>\$350,000</u>
36	Title					
37	\$250,000	\$125,000
38	<u>\$650,000</u>	<u>\$350,000</u>				

39 Except:

40 (1) A domestic insurer holding a valid certificate of authority to transact insurance in this State immediately
41 prior to ~~November 1, 1968~~ January 1, 2024, may, if otherwise qualified therefor, for a period of 5 years after such date
42 continue to be so authorized while possessing paid-in capital stock (if a stock insurer) or surplus (if a mutual insurer) as
43 required for such authority immediately prior to such date. The Commissioner shall not authorize such an insurer to
44 transact any other kinds of insurance unless it then complies with the requirements as to capital and surplus, as applied
45 to all kinds of insurance it then proposes to transact, as provided by this title as to foreign insurers applying for original
46 certificates of authority under this title.

47 (2) An insurer which otherwise possesses funds as required under this subsection (a) above, shall at all times
48 maintain policyholders' surplus (combined paid-in capital stock, if any, and surplus) reasonable in amount, as
49 determined by the Commissioner, in relation to the kinds and amount of insurance it has in force, or being written and
50 retained by it, net of applicable reinsurance. In making any such determination the Commissioner shall give due
51 consideration to any applicable standards approved or adopted by the National Association of Insurance

52 Commissioners and to the desirability of substantial uniformity as to such requirements among the respective states. In
53 no event shall an insurer's surplus be less than the amount set forth under subsection (a) of this section.

SYNOPSIS

Delaware's capital and surplus requirements for insurers have been in place for over fifty years and are currently among the lowest in the country. This bill increases the minimum amount of capital stock and free surplus an insurer must possess and maintain in order to transact business in the State of Delaware, making them more in line with other jurisdictions.