



SPONSOR: Rep. Bush & Sen. Paradee
Reps. Baumbach, Ramone, Spiegelman, Matthews,
Michael Smith; Sens. Ennis, Pettyjohn, Sokola

HOUSE OF REPRESENTATIVES
150th GENERAL ASSEMBLY

HOUSE BILL NO. 96

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

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

1 Section 1. Amend § 6914, Title 18 of the Delaware Code by making deletions as shown by strike through and
2 insertions as shown by underline as follows:

3 § 6914. Tax on premiums collected.

4 (a) Each captive insurance company, other than a sponsored captive insurance company (including a sponsored
5 captive insurance company that is also a special purpose financial captive insurance company), and each protected cell of a
6 sponsored captive insurance company shall pay to the Commissioner no later than ~~March 1~~ April 15 of each year a tax at
7 the rate of 2/10 of 1% on each dollar of direct premiums collected or contracted for, during the year ending December 31
8 next preceding, on policies or contracts of insurance written by the captive insurance company, after deducting from the
9 direct premiums subject to the tax the amounts paid to policyholders as return premiums with respect to such preceding
10 year only, which amounts shall include only dividends or distributions of unabsorbed premiums or premium deposits
11 returned or credited to policyholders, up to a maximum tax for such year of \$200,000; provided however, that no tax shall
12 be due or payable as to consideration received for annuity contracts.

13 (b) Each captive insurance company, other than a sponsored captive insurance company (including a sponsored
14 captive insurance company that is also a special purpose financial captive insurance company), and each protected cell of a
15 sponsored captive insurance company shall pay to the Commissioner no later than ~~March 1~~ April 15 of each year a tax at
16 the rate of 1/10 of 1% on each dollar of assumed reinsurance premiums collected or contracted for, during the year ending
17 December 31 next preceding, on policies or contracts of insurance written by the captive insurance company, up to a
18 maximum tax for such year of \$110,000; provided, however, that no such tax applies to premiums for risks or portions of
19 risks which are subject to taxation on a direct basis pursuant to subsection (a) of this section, and no such tax shall be
20 payable in connection with the receipt of assets in exchange for the assumption of loss reserves and other liabilities of
21 another insurer under common ownership and control if such transaction is part of a plan to discontinue the operations of

- 22 such other insurer and if the intent of the parties to such transaction is to renew or maintain such business with the captive
23 insurance company.

SYNOPSIS

This Act requires captive insurance companies to pay premium taxes on or before April 15 of each year. This Act complements House Bill No. 289 of the 149th General Assembly (Chapter 251, Volume 81 of the Laws of Delaware) by ensuring that captive insurers' annual statements and payment of premium taxes are both due by the same date.