SPONSOR: Sen. Mantzavinos & Rep. Bush
Sens. Ennis, Walsh; Rep. Brady

DELAWARE STATE SENATE
151st GENERAL ASSEMBLY

SENATE BILL NO. 175
AS AMENDED BY
SENATE AMENDMENT NO. 1

AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO REPORTING AND VALUATION REQUIREMENTS FOR INSURERS.

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

Section 1. Amend Chapter 5, Title 18 of the Delaware Code by making deletions as show by strike through and insertions as shown by underlining as follows:

§ 526. Annual statement and other required filings.

(g) Each authorized insurer must quarterly file a full and true statement of its financial condition, transactions, and affairs as of the quarter preceding the filing.

(1) The quarterly statement required by this subsection must be filed each quarter on or before May 15, August 15, and November 15.

(2) The Commissioner may grant for good cause a reasonable extension to an insurer to file the quarterly statement required by this subsection.

(3) The statement required by this subsection is the quarterly statement form approved by the NAIC that is prepared in accordance with NAIC quarterly statement requirements and the NAIC accounting practices and procedures manual, unless specified otherwise in this title or by the Commissioner.

(4) In addition to the annual and quarterly filings required by this section, the Commissioner has the authority, in the discretion of the Department, to prescribe additional filings by authorized insurers as necessary for the Department to monitor the ongoing financial condition of authorized insurers.

(5) The Commissioner may refuse to continue or may suspend or revoke the certificate of authority of any insurer that fails to file any statements or reports required under this subsection.

(h) The annual and quarterly financial statement filings required by this section must be submitted electronically through the NAIC in a format acceptable to the NAIC. All other filings required by this section must be in the form prescribed by the Commissioner.

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Section 2. Amend Chapter 5, Title 18 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 526A. Supplement to annual statement [repealed].

~~(a) Each insurer licensed to write property or casualty insurance in this State, as a supplement to Schedule T of its annual statement, shall submit a report on a form furnished by the Commissioner showing its direct writings and experience, prior to reinsurance, in this State and the United States. All such writings and experience shall be required on a line-by-line basis both for the State and in total, and where appropriate, on a subline-by-subline basis.~~

~~(b) The supplemental report required by this section shall include but not be limited to the following types of insurance written by such insurer:~~

~~(1) Motor vehicle bodily injury liability insurance;~~

~~(2) Motor vehicle property liability insurance;~~

~~(3) Motor vehicle personal injury protection insurance;~~

~~(4) Uninsured motorist insurance;~~

~~(5) Underinsured motorist insurance;~~

~~(6) Products liability insurance;~~

~~(7) Medical negligence insurance, by specialty and in total;~~

~~(8) Dental malpractice insurance;~~

~~(9) Attorneys' malpractice insurance;~~

~~(10) Other professional malpractice insurance;~~

~~(11) Midwives' insurance;~~

~~(12) Political subdivision liability insurance reported separately as to municipalities, counties, school districts and other authorities;~~

~~(13) Errors and omissions liability insurance;~~

~~(14) Officers' and directors' liability insurance reported separately as to nonprofit and for-profit entities;~~

~~(15) Day care facility liability insurance;~~

~~(16) Entertainment, recreational and sporting facility liability insurance, by specialty;~~

~~(17) Workers' compensation insurance;~~

~~(18) Liquor liability insurance.~~

~~(c) Such supplemental report shall include the following data, both specific to this State and also to the United States, by the type of insurance for the previous year ending on December 31:~~

~~(1) Direct premiums written;~~

~~(2) Direct premiums earned;~~

~~(3) Investment income derived from unearned premium and loss reserves reflecting the overage rate of return on invested assets. Forms to be used in transmitting this data and the formula for the calculations shall be promulgated by the Insurance Commissioner;~~

~~(4) Incurred claims, developed as the sum of the following (the report shall include data for each of the following categories used to develop the sum of incurred claims):~~

~~a. Dollar amount of claims closed with payment; plus~~

~~b. Reserves for reported claims at the end of the current year; minus~~

~~c. Reserves for reported claims at the end of the previous year; plus~~

~~d. Reserves for incurred but not reported claims at the end of the current year; minus~~

~~e. Reserves for incurred but not reported claims at the end of the previous year; plus~~

~~f. Loss adjustment expenses for claims closed; plus~~

~~g. Reserves for loss adjustment expense at the end of the current year; minus~~

~~h. Reserves for loss adjustment expense at the end of the previous year;~~

~~(5) Actual incurred expenses allocated separately to loss adjustment; commissions, other acquisition costs, advertising, general office expenses, taxes, licenses and fees, and all other expenses. This consolidated insurance expense exhibit must be filed in Delaware on or before April 1 of each year;~~

~~(6) Net underwriting gain or loss;~~

~~(7) Net operation gain or loss, including net investment income;~~

~~(8) The number and dollar amount of claims closed with payment, by year incurred and the amount reserved for these claims;~~

~~(9) The number of claims closed without payment and the dollar amount reserved for these claims; and~~

~~(10) The number of claims pending at the end of each year and the amount reserved for these claims.~~

~~(d) This report shall be due by May 1 of each year.~~

~~(e) For the first year only in which the insurer is required to file this supplemental report, the data required by subsection (c) of this section shall include the previous calendar year and each of the preceding calendar years.~~

~~(f) It shall be the duty of the Commissioner to annually compile and review all such supplemental reports submitted by insurers pursuant to this section to determine the appropriateness of premium rates for property or casualty~~

~~insurance in this State. The Commissioner's findings and the filings shall be published and made available to any interested insured or citizen.~~

~~(g) The Commissioner may refuse to continue or may suspend or revoke the certificate of authority of any property or casualty insurer failing to file its supplemental report when due.~~

~~(h) The Commissioner may waive, modify or defer the requirements of this section if he or she determines the information required under this section to be reported is not needed.~~

~~(i) The Commissioner shall impose a fine of $1,000 for each day a report required by this section is late. Such fine may not be suspended by the Commissioner.~~

Section 3. Amend Chapter 11, Title 18 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underlining as follows:

§ 1127. Valuation of bonds.

(b) Notwithstanding any other provision of this section, no bond or other evidence of debt shall be valued in excess of the value established by the National Association of Insurance Commissioners' ~~Security Valuation~~ Capital Markets and Investment Analysis Office.

Section 4. Amend Chapter 11, Title 18 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underlining as follows:

§ 1128. Valuation of other securities.

(c) Notwithstanding any other provision of this section, securities shall be valued at prices established by the ~~Securities Valuation Office of the~~ National Association of Insurance ~~Commissioners~~ Commissioners' Capital Markets and Investment Analysis Office and in accordance with procedures established by the National Association of Insurance Commissioners.