

2019 APPLICATION PROCESS TIPS AND REMINDERS

We now offer a Conditional Certificate of Authority on the same day the application is received for licensing a Captive Insurance Company.

HB 334 authorizes the Insurance Commissioner to issue Conditional Certificates of Authority (“COAs”) to captive insurance company applicants. These Conditional COAs authorize the captive insurance company applicant to conduct business while the Commissioner completes the review of the application materials. Conditional Certificates of Authority will be issued only upon receipt of evidence of the minimum capital and surplus required by Chapter 69 of Title 18 of Delaware Code and a certification from the captive owner that the application materials comply with the requirements of Chapter 69. A captive insurance company is granted a Conditional Certificate of Authority for a fee of \$3,600. Delaware applies “Know Your Customer” and only certain approved managers may submit applications for a conditional license.

Admission Applications

We have two different application processes: **Regular and Conditional**.

The Regular Captive License application will bear the date that the Insurance Commissioner signs the Certificate of Authority, not the date the application or money arrived. That said, we cannot secure the license date of the day the application is received near the end of December for that calendar year. If you need to have a specific date for the captive Certificate of Authority, we highly recommend you to submit a Conditional License Application.

The Conditional License is an online application and payment program that, when completed, the applicant will receive a Conditional Certificate of Authority the same day. It will be effective until the permanent license is issued at a later date. This will occur after the full review of the conditional license application documents is complete and the permanent Certificate of Authority has been signed by the Insurance Commissioner.

The Regular Application:

1. Scan and Email Application documents to captive@delaware.gov.
2. Mail a copy of the Application (Form A-1 or A-2) and a check for \$3,500 to:
Delaware Department of Insurance
Attn: Captive Bureau
1351 West North Street, Suite 101
Dover DE 19904
3. Mail the original Application and original Biographical Affidavits to:
Delaware Department of Insurance
Attn: Captive Bureau
1007 North Orange Street, Suite 1010
Wilmington, DE 19801

The Conditional Application:

Please follow the following steps to submit a Conditional License application while our Online Portal is under maintenance. We apologize for the inconvenience, but global changes are being made to the State online payment system.

1. Scan and email the Conditional License Application and all application documents to captive@delaware.gov.

You can find the required Conditional License application template documents on the website: <https://captive.delaware.gov>.

2. Mail the Conditional License Cover Sheet, a copy of the Application (Form A-1 or A-2), and a check for \$3,600 to:

Delaware Department of Insurance
Attn: Captive Bureau
1351 West North Street, Suite 101
Dover DE 19904

3. Mail the original Biographical Affidavits to:

Delaware Department of Insurance
Attn: Captive Bureau
1007 North Orange Street, Suite 1010
Wilmington, DE 19801

The date of the Conditional License Certificate of Authority will be the date when we receive an e-mail with the application, as long as the \$3,600 Conditional License application check is received in our Dover Accounting Office within 10 business days.

FYIs for All Licenses

Check How-tos The State requires checks be numbered, dated and signed as well as payable to Delaware Department of Insurance.

Premium to Surplus Ratio Allowable Premium to Surplus ratio by the end of the first year for new applications is 5:1 for Pure Captives and 3:1 for Series Captives. Premium to Surplus is calculated on a net basis (Assumed Premium + Direct Premium – Ceded Premium) = Net Premium.

Approved Policy Libraries If a Captive Manager chooses not to have an “Approved Policies Library” with the Department, the Business Plan with coverages and draft policies must be filed at the time of Application submission. After the captive is licensed, a Business Plan change request will be required to be reviewed and approved by the Department when adding or removing lines of coverage during the policy year.