



**Memorandum**

**TO: ALL CAPTIVE MANAGERS, AUDITORS, AND ACTUARIES AUTHORIZED IN DELAWARE, ALL MEMBERS OF THE DELAWARE CAPTIVE INSURANCE ASSOCIATION, AND ALL SELF-MANAGED DELAWARE CAPTIVES**

**FROM: STEPHEN C. TAYLOR, DIRECTOR**  
**BUREAU OF CAPTIVE & FINANCIAL INSURANCE PRODUCTS**

**RE: GUIDELINES ON DISSOLUTION AND DORMANCY STATUS REQUEST DEADLINE**

**DATE: NOVEMBER 27, 2023**

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The purpose of this Memorandum is to inform the captive insurance industry of the deadline for filing with the Department a request for dissolution of a licensed captive insurance company (“Captive”) or the request for dormancy status for a Captive in order to receive Department approval of the dissolution or dormancy status prior to the end of the calendar year.

**Dissolution**

A Captive that intends to dissolve and requests dissolution approval by the Department prior to the end of the current calendar year shall file with the Bureau of Captive & Financial Insurance Products (“Bureau”) its request for a dissolution along with all the following no later than December 15<sup>th</sup>, or the next business day in the event December 15<sup>th</sup> falls on a non-business day:

1. Notice to the Bureau in writing of the Captive’s intent to dissolve, including the reason for dissolution;
2. Consent of Board of Directors, through a Resolution of the Board, or consent of the Managing Members, as applicable, authorizing the dissolution;
3. An Interim Annual Report prepared on the Department’s Annual Report for Pure Captives, Core LLCs and Series Captive Insurance Companies (Form F-1), or Annual Report for Other Captive Entities (Form F-2), as applicable, dated no earlier than 30 days prior to submission of request;
4. Proof of Premium Tax payments for prior year(s) and the current year in which the dissolution request is being filed;
5. Proof of payment of all outstanding examination fees; and

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6. Affidavit from the owner that includes the following certifications:
  - a. All liabilities have been settled;
  - b. All insurance and/or reinsurance policies have been terminated;
  - c. No claims are outstanding;
  - d. The Captive has no further obligations under any policies, including without limitation the reinsurance pool arrangements in which it previously participated; and
  - e. All liabilities to the Department have been settled.

### **Dormant Status**

A Captive that intends to be treated as a dormant captive insurance company and requests dormant status approval by the Department prior to the end of the current calendar year shall file with the Bureau its request for dormant treatment along with all the following no later than December 15<sup>th</sup>, or the next business day in the event December 15<sup>th</sup> falls on a non-business day:

1. A completed and executed Dormant Status Request Form (Form G-1) (“Form”); and
2. All information and documentation required by the Form.

Any request for dissolution or dormant status filed after the deadline prior to the end of the calendar year may not be approved until the following calendar year and the captive would be subject to premium tax or other obligations of an actively licensed Captive.

Questions concerning this Memorandum and any captive matter shall be directed to the Bureau of Captive & Financial Insurance Products, Director, Stephen Taylor at [Stephen.Taylor@Delaware.gov](mailto:Stephen.Taylor@Delaware.gov) or 302-577-5280. Thank you for domiciling your captive insurance company in Delaware.

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