

TRINIDAD NAVARRO
COMMISSIONER



STATE OF DELAWARE
DEPARTMENT OF INSURANCE

NOTICE 12-2024

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 DORMANT STATUS REQUEST DEADLINES (REVISED)

DATED: DECEMBER 9, 2024

The purpose of this Notice 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 a request for dormant status for a Captive in order to receive Department approval of the dissolution or dormant status effective prior to the end of a calendar year. This Notice rescinds Notice 11-2023 issued on November 27, 2023.

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 15th**, or the next business day in the event December 15th 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 the Board of Directors, through a Resolution of the Board, or consent of the Managing Members, as applicable, authorizing the dissolution;
3. An 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

NOTE: This Notice is intended solely for informational purposes. It is not intended to set forth legal rights, duties, or privileges, nor is it intended to provide legal advice. Readers should consult applicable statutes and rules and contact the Delaware Department of Insurance if additional information is needed.

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(Form F-2), as applicable, dated no earlier than 30 days prior to submission of the dissolution request;

4. Payment of Premium Tax for prior year(s) and the year in which the dissolution request is being filed;
5. Payment of any outstanding examination fees; and
6. Affidavit from an authorized officer or managing member of the governing body of the Captive, approved by the Department, which 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 effective on or before January 1st 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 15th**, or the next business day in the event December 15th falls on a non-business day:

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

In the event a Captive seeking dormant status would become eligible for dormant status during the period between December 15th and January 1st of the subsequent calendar year (“Prospective Dormant Period”), the applicant may request Department approval of dormant status effective on the date within the Prospective Dormant Period the Captive would become eligible for dormant status. In addition to all the information required above, a request for a prospective dormant status effective date during the Prospective Dormant Period shall include the dormant status effective date requested, and a signed statement that provides the information to establish that the Captive would be eligible for dormant status as of the requested effective date. Dormant status approved on a prospective basis shall be rescinded if it is determined that the Captive was not eligible for dormant status on the prospective effective date that was approved by the Department.

Questions concerning this Notice and any captive matter may be directed to the Bureau of Captive & Financial Insurance Products, Director, Stephen Taylor at stephen.taylor@delaware.gov or 302-577-5280. Thank you for domiciling your captive insurance company in Delaware.

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