



DOMESTIC AND FOREIGN INSURERS BULLETIN NO. 140

TO: ALL INSURERS AUTHORIZED TO TRANSACT BUSINESS IN DELAWARE

RE: HB 47 INCREASE TO CAPITAL AND SURPLUS REQUIREMENTS

DATED: August 24, 2023

The purpose of this Bulletin is to inform insurers of the increase to the minimum amount of capital stock or unimpaired basic surplus and free surplus an insurer must **possess and maintain** throughout the year pursuant to [18 Del. C. § 511\(a\)](#).

Background

House Bill No. 47 of the 152nd General Assembly (“[HB 47](#)”), which was signed by the Governor on May 25, 2023, increases the minimum capital and surplus amounts required to be maintained in order to transact the business of insurance in the State of Delaware. Delaware had not increased capital and surplus requirements since July 3, 1968, and the increased minimum requirements are now consistent with other jurisdictions. In no event shall an insurer’s capital and surplus be less than the amount established as follows:

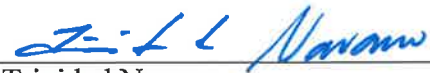
Kinds of insurance	Stock insurers		Mutual Insurers		Reciprocal insurers	
	Capital stock	Free Surplus	Basic Surplus	Free Surplus	Basic Surplus	Free Surplus
Life	\$650,000	\$350,000	\$650,000	\$350,000
Health	\$650,000	\$350,000	\$650,000	\$350,000	\$650,000	\$350,000
Life & health	\$650,000	\$350,000	\$650,000	\$350,000
Property	\$650,000	\$350,000	\$650,000	\$350,000	\$650,000	\$350,000
Casualty	\$650,000	\$350,000	\$650,000	\$350,000	\$650,000	\$350,000
Marine & transportation	\$650,000	\$350,000	\$650,000	\$350,000	\$650,000	\$350,000
Surety	\$650,000	\$350,000	\$650,000	\$350,000	\$650,000	\$350,000
Multiple line	\$650,000	\$350,000	\$650,000	\$350,000	\$650,000	\$350,000
Title	\$650,000	\$350,000

The Department recognizes that, due to the declaration of dividends or similar reasons, this amount may fluctuate during the fiscal year. However, an insurer shall notify the Commissioner immediately if cash or cash equivalents fall below the amounts listed above. Failure to do so may result in administrative action pursuant to [18 Del. C. § 519](#).

A domestic insurer holding a valid certificate of authority to transact insurance in this State immediately **prior to January 1, 2024**, pursuant to 18 Del. C. § 511(a)(1), may, for a period of 5 years after such date continue to be so authorized while possessing paid-in capital stock (if a stock insurer) or surplus (if a mutual insurer) as required for such authority immediately prior to such date. However, the Commissioner will not authorize such an insurer to transact any other kinds of insurance unless it then complies with the requirements as to capital and surplus, as applied to all kinds of insurance it then proposes to transact, as provided by Title 18 as to foreign insurers applying for original certificates of authority under said title.

Questions, comments, or requests for clarification about this Bulletin should be emailed to berg@delaware.gov.

This Bulletin shall be effective immediately and shall remain in effect unless withdrawn or superseded by subsequent law, regulation or bulletin.



Trinidad Navarro
Delaware Insurance Commissioner

NOTE: This Bulletin 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.