



DOMESTIC AND FOREIGN INSURERS BULLETIN NO. 55

**TO: ALL PROPERTY & CASUALTY INSURANCE COMPANIES
DOING BUSINESS IN DELAWARE**

**RE: REPORTING OF GEOGRAPHIC ALLOCATION OF PREMIUMS;
18 Del. C. § 705**

DATED: September 24, 2012

**REISSUED: September 7, 2023
December 1, 2023**

This bulletin is being reissued to remind all companies writing lines of business listed in the Working Form T-5 that the deadline to submit an action plan detailing how the company plans to resolve reporting problems and implement changes for calendar year 2023 data collection was due by November 20, 2023. Companies that have not already submitted their plans are instructed to do so immediately. The action plans and any questions or comments about this directive should be directed via e-mail to doi_tax@delaware.gov.

The Department continues to identify errors in the reporting of geographic allocation of premiums as required on the annual Working Form T-5 pursuant to [18 Del. C. § 705](#).

18 Del. C. § 705. Reporting by insurers of gross premiums and payments to fire companies based thereon.

- (a) Every insurance company receiving premiums for covering risks of loss on any real or personal property within the limits of this State from fire, extended coverage, other allied lines, homeowner (package policy), commercial multiple peril, growing crops, ocean marine, inland marine, automobile physical damage and aircraft physical damage shall annually, at the same time that such company files its annual report as required by law, deliver to the Insurance Commissioner a full detailed statement of the amount of gross premiums of all such business done by such a company in the City of Wilmington, in the County of New Castle outside the City of Wilmington, in Kent County and in Sussex County, less return and reinsurance premiums received from other companies or by any agent or agents of such company, in cash or otherwise, for the year ending on the previous 31st day of December, including therein an

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allocation of the portion of the gross premiums coverage allocable to each of the above areas. This statement shall be verified by the oath or affirmation of the insurance company's president or vice-president and secretary or other officer, and the statement shall be on a form prepared and furnished by the Insurance Commissioner for that purpose. The Insurance Commissioner shall have the power and authority to request and receive any additional information regarding any insurance company's business of covering the types of risks of loss stated in this subsection. Failure to give the Insurance Commissioner the requested information shall be good cause, under § 520 of this title, for revocation of any certificate of authority of any insurance company so ignoring the request.

Additionally, this reissued Bulletin is to remind insurers that basing the allocation of premiums on the zip code associated with the location of risk does not accurately allocate premiums in areas where the zip code address of the risk may crossover county lines and may, for example, list the location of risk as within “Wilmington” when it is, in fact, outside the incorporated limits of the City of Wilmington. Since zip codes that geographically do not fall within the political geographic boundaries of the City of Wilmington may be attributed to Wilmington, the Commissioner is issuing the following guidelines:

- Zip codes 19807, 19808, and 19810 shall report all written premiums as attributed to New Castle County, outside of the geographic boundaries of the City of Wilmington.
- The vast majority of areas within zip codes 19803, 19804 and 19809 fall outside the geographic boundaries of the City of Wilmington, and written premiums within those zip codes should be reported accordingly. The Commissioner would expect the Working Form T-5 to reflect higher amounts of premiums written within these zip codes attributed to New Castle County outside the City of Wilmington.

As previously communicated, all companies writing lines of business listed in the Working Form T-5 pursuant to 18 *Del. C.* § 705 are instructed to use an electronic geographic information system (GIS) tracking software to accurately allocate and report premiums written on Delaware risks located within the City of Wilmington, in New Castle County outside the City of Wilmington, in Kent County, and in Sussex County. Such method shall be used for the collection and preparation of data for the calendar year 2023 premium tax report (due on or before March 1, 2024), and henceforth, unless otherwise instructed by the Insurance Commissioner.

Thank you in advance for your assistance in correcting these reporting errors, as this premium is used to calculate the amount of state support that will be distributed to volunteer fire companies in New Castle, Kent, and Sussex counties, as well as the City of Wilmington Firemen’s Pension Fund.

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.