



CAPTIVE INSURANCE BULLETIN NO. 2

TO: All Captive Managers, Auditors, and Actuaries Accredited in Delaware, and all Members of the Delaware Captive Insurance Association

RE: Formation Fee for Series Business Unit (SBU)

DATE: August 17, 2012

Under Delaware law a captive insurance company¹ may be licensed so that it may form series in order to take advantage of the Delaware Limited Liability Company Act² or Delaware Statutory Trust Act.³ These series qualify to assume risk and are named by this Department as Series Business Units (SBU). Under the authority of 18 Del.C. § 6903(d), the Delaware Insurance Commissioner (“Commissioner”) will begin levying a fee of \$1,800 (One Thousand Eight Hundred Dollars) upon the captive insurance company for each SBU formed on or after the effective date of this bulletin whose premium for each of the first five years of operation, as stated in the application submitted to the Department, is less than \$1,400,000 (One Million Four Hundred Thousand Dollars). For any SBU formed on or after the effective date of this bulletin whose premium for any of the first five years of operation exceeds or is equal to \$1,400,000, the fee will be \$3,000 (Three Thousand Dollars). The Commissioner reserves the right to impose any additional fees upon the captive insurance company for any additional costs the Commissioner reasonably incurs when reviewing the application.

Nothing in this bulletin should be interpreted to excuse a captive insurance company from any other fee or tax currently applied under Delaware law.

This Bulletin shall be effective immediately.

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

¹ 18 Del. C. § 6902(9).

² 6 Del. C. § 18-101 et seq.

³ 12 Del. C. § 3810 et seq.