Fraud Prevention Bureau Fee Information

The Delaware Insurance Code (18 Del. C., Chapter 24) establishes within the Insurance Department the Delaware Insurance Fraud Prevention Bureau to "confront aggressively the problem of insurance fraud in the State of Delaware by facilitating the detection of insurance fraud, reducing the occurrence of such fraud through administrative enforcement and deterrence, requiring the restitution of fraudulently obtained insurance benefits, and reducing the amount of premium dollars used to pay fraudulent claims". (§2402)

In accordance with 18 Del. C., §2404 (d), a special revolving fund designated as the Delaware Insurance Fraud Auxiliary Fund has been created within the Bureau to be used by the Bureau in the performance of the various functions and duties required of the Bureau by law. 18 Del. C., §2415, further provides that the cost of administration and operation of the Bureau shall be borne by all of the insurance companies admitted or authorized to transact the business of insurance in this State. The Commissioner is required to assess $750.00 annually against each insurance company to provide the funds necessary for the operation of the Bureau.

These funds are collected by the Insurance Department on behalf of the Bureau and are deposited into the Delaware Insurance Fraud Auxiliary Fund. Due to the separate nature of this special fund, the Delaware Insurance Department considers the Fraud Prevention Bureau Fee to be a Special Purpose Assessment and therefore does not allow the fee amount paid to the State of Delaware to be included in retaliatory tax calculation.