



Premium Taxes and Fees



Independently Procured Insurance (Also known as SELF-PROCURED)

The Delaware Insurance Department defines independent procurement as a transaction where an insured (individual or company) procures insurance directly from a nonadmitted insurer without the involvement of a surplus lines broker. The Department considers the terms independently-procured and self-procured to be interchangeable.

Please note: If a surplus lines broker is involved in the transaction in any way, including acting as a consultant, the transaction must be reported by that surplus lines broker. It is not considered independent procurement.

The Department strongly discourages independent procurement. Delaware law states that all surplus lines business must be placed through licensed surplus lines brokers. Insureds that procure coverage directly from a nonadmitted insurer should be aware that the company they are doing business with is not licensed in the state of Delaware and is not under the authority or jurisdiction of the Delaware Insurance Commissioner. In addition, the insured has no access to Insurance Department resources or the Delaware Guaranty Associations in case of default or insolvency.

Tax must be paid on independently procured insurance premiums at the same 3% tax rate as surplus lines insurance premiums reported by surplus lines brokers.

[Click here for tax form.](#)