

TRINIDAD NAVARRO  
COMMISSIONER



STATE OF DELAWARE  
DEPARTMENT OF INSURANCE

## DOMESTIC AND FOREIGN INSURERS BULLETIN NO. 151

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

**RE:** MANDATORY COMPLIANCE WITH REPORTING OF GEOGRAPHIC ALLOCATION OF PREMIUMS UNDER 18 Del. C. § 705 (PAYMENTS TO FIRE COMPANIES)

**DATED:** April 10, 2025

**REISSUED:** December 1, 2025

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The Delaware Department of Insurance (Department) reminds all carriers that compliance with reporting of geographic allocation requirements under 18 Del. C. § 705 is **mandatory**. These obligations have been outlined in Domestic and Foreign Bulletin No. 55 (December 1, 2023), Universally Applicable Bulletin No. 9 (November 25, 2024), and further clarified in Bulletin No. 151, originally issued on April 10, 2025, which addresses legislative changes enacted through [HB 371](#) (effective January 1, 2025).

The Department remains concerned about potential inconsistencies in carrier filings that may lead to the misallocation of premium tax payments. Carriers are expected to take immediate action to ensure internal processes fully support full compliance with Section 705. Accurate reporting is not only a statutory obligation, but it is also critical to maintaining the integrity of Delaware's premium tax system and ensuring that Delaware's fire departments and companies receive the funding they are entitled to.

### **Geographic Information System (GIS) Requirement**

As previously communicated, beginning with the calendar year 2023 premium tax report, 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. This reporting method shall remain in effect unless otherwise instructed by the Insurance Commissioner.

### **Allocation of Premiums**

Accurate allocation of premiums is essential to ensure appropriate fund distribution. Carriers must avoid relying solely on zip codes to determine risk location, as this can lead to incorrect

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premium reporting, such as classifying a risk within “Wilmington” when it actually falls outside of the city’s incorporated limits. Effective January 1, 2025, 18 Del. C. § 705 defines “**City of Wilmington**” as the area consisting of **zip codes 19801, 19802, 19805, and 19806**. All written premiums attributed to risks located within the City of Wilmington and New Castle County outside of the geographic boundaries of the City of Wilmington shall be reported accordingly. As such, the Commissioner would expect the Working Form T-5 to reflect higher amounts of premiums written within zip codes attributed to New Castle County outside the City of Wilmington.

## **Compliance**

Failure to provide information requested by the Commissioner under 18 Del. C. § 705 may result in regulatory review and potential enforcement action as outlined in 18 Del. C. §§ 329 and 520. Carriers are urged to ensure complete and accurate reporting to avoid penalties.

## **Summary of HB 371 Legislative Changes**

The enactment of HB 371 amends 18 Del. C. § 705, introducing adjustments to how distributions from taxes collected by the Insurance Commissioner are allocated to fire companies and departments throughout Delaware. Key provisions of these amendments include:

- **Simplified Reporting Process:** Implements a new method for calculating fund distributions to fire departments and companies located in Wilmington, New Castle County (outside Wilmington), Kent County, and Sussex County.
- **Annual Reporting Requirements:** Annually by **March 1**, insurers must submit their reports following updated geographic allocation guidelines.
- **Extended Department Reporting Deadline:** The Department’s reporting deadline to the State Treasurer has been extended from **April 1 to May 15**.
- **Payment Distribution:** Fire company payments are reduced from **two per year to one**, allowing the Insurance Commissioner additional time to verify the accuracy of insurer-reported financial data and establishing detailed distribution guidelines for various fire companies or departments.
- **State Treasurer Payment Adjustments:** Reporting requirements for payments issued by the State Treasurer to the State Insurance Coverage Office have been updated, with payments due no later than **July 15**.
- **Revised DVFA Reporting:** The Delaware Volunteer Firefighter’s Association must now submit its annual report detailing the locations, apparatuses, and equipment maintained for its member fire companies or departments to both the State Fire Prevention Commission and the Insurance Commissioner.

These updates reinforce the commitment to accurate reporting and equitable fund distribution, ensuring that Delaware’s fire departments and companies receive necessary financial support.

Questions concerning this Bulletin should be emailed to [doi\\_tax@delaware.gov](mailto:doi_tax@delaware.gov).

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

  
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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.*