



CAPTIVE BULLETIN NO. 12 (REVISED)

TO: ALL CAPTIVE MANAGERS, AUDITORS, AND ACTUARIES ACCREDITED IN DELAWARE, ALL MEMBERS OF THE DELAWARE CAPTIVE INSURANCE ASSOCIATION, AND ALL SELF-MANAGED DELAWARE CAPTIVES

RE: USE OF BROKERAGE ACCOUNTS FOR HOLDING MINIMUM CAPITAL AND SURPLUS

DATED: January 20, 2023
REVISED: October 10, 2023

The purpose of this Bulletin is to inform the captive insurance industry that effectively immediately and consistent with my discretionary authority pursuant to 18 *Del. C.* § 6905(c), a Delaware licensed captive insurance company with no third-party coverage, if authorized by its approved business plan, may hold minimum capital and surplus in a brokerage account under the following conditions:

1. The brokerage firm must be listed on the Federal Reserve Bank of New York List of Primary Dealers, or be an affiliate of such entity, or be separately approved by the Department;
2. The brokerage firm must be in, or have a branch in, Delaware; and
3. Minimum capital and surplus held by a brokerage firm pursuant to this Bulletin may be held in cash, cash equivalents, investment-grade credit rated fixed income securities, or securities traded on a U.S. public stock exchange.

Questions concerning this Bulletin and any captive matter shall be directed to the Bureau of Captive & Financial Insurance Products, Director, Stephen Taylor at stephen.taylor@delaware.gov or 302-577-5280. Thank you for domiciling your captive insurance company in Delaware.


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.