



DOMESTIC AND FOREIGN INSURERS BULLETIN NO. 151

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

RE: REPORTING OF GEOGRAPHIC ALLOCATION OF PREMIUMS; 18 Del. C. § 705 (PAYMENTS TO FIRE COMPANIES)

DATED: April, 10, 2025

This Bulletin supersedes Domestic and Foreign Bulletin No. 55, last published on December 1, 2023. Its purpose is to reinforce carriers' obligations regarding the reporting of geographic allocation of premiums under 18 *Del. C.* § 705. Additionally, this Bulletin provides a reminder of recent legislative changes enacted under House Bill 371 ([HB 371](#)) of the 152nd General Assembly, effective January 1, 2025, and previously outlined in UA Bulletin No. 9, published on November 25, 2024.

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 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.

This Bulletin shall be effective immediately and shall remain in effect unless withdrawn or superseded by subsequent law, regulation or bulletin.



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.

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