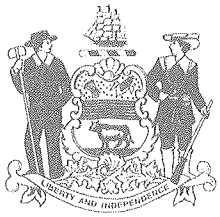
Karen Weldin Stewart, CIR-ML
Commissioner



Delaware Department of Insurance

SURPLUS LINES BULLETIN NO. 11

TO: **ALL NONADMITTED INSURERS PLACING BUSINESS COVERING RISK EXPOSURES IN DELAWARE**

RE: **DATA REQUEST—NONADMITTED AND REINSURANCE REFORM ACT OF 2010 (NRRA) IMPLEMENTATION REVENUE STUDY**

DATED: **December 5, 2011**

BACKGROUND

The Delaware Department of Insurance has been charged with performing a fiscal study to find the potential impact that entering into an interstate tax sharing arrangement would have on Delaware's surplus lines tax revenue before making a decision to join either of the agreements currently being presented to the states. In accordance with 18 Del. C. § 1903A, the NRRA Implementation Revenue Study Committee has been established to consider which agreement would result in the most retention of surplus lines tax revenue for the State and the most cost-efficient method of administering the collection and distribution of tax revenues.

NOTICE AND REQUEST FOR DATA

The Delaware Department of Insurance is asking all nonadmitted insurers writing policies with effective dates between July 21, 2011 and December 31, 2011, which cover risk exposures in the state of Delaware, to report certain policy data to the Department. This data is being gathered as part of the work being done by the NRRA Implementation Revenue Study Committee in compliance with 18 Del. C. § 1903A.

Although the NRRA stipulates that assessment of premium taxes and regulatory authority are limited to the home state of the insured, the Department is requesting in good faith that nonadmitted insurers submit the data for these six months *even if Delaware is not the home state of the insured.* For its study, the Committee must have data showing what premium is going to other states that would come to Delaware, as well as what premium is coming to Delaware that would be allocated to other states under the terms of an interstate tax sharing arrangement.

IMPORTANT: This is a one-time study and there is no indication that the study will be repeated. The Department has tried to make participation in this data call as simple as possible and anticipates full cooperation from all nonadmitted insurers with Delaware risk exposures.

DATA FILING INSTRUCTIONS

The Department has prepared an Excel® spreadsheet (see attached sample) to be used to report the following data elements:

- Company Name, EIN, NAIC #, Contact Name and Contact Email Fields
- Policy Number Column
- Policy Effective Date Column
- Home State of the Insured Column (2 character postal abbreviation)
- Multi-State or Single-State Policy Column (indicated by M or S)
- Total Policy Premium Column
- Column(s) showing State and Premium data for each state with risks covered by each policy

There should be one line (record) for each policy. The Department's spreadsheet is available by clicking here.

If preferred, the company may prepare its own Excel® spreadsheet with these data elements in the order listed.

Please prepare one spreadsheet for the months of July 2011 through December 2011. Each completed Excel® file should be sent as an email attachment to desurpluslines@state.de.us.

The findings and recommendations resulting from this fiscal study must be reported to the Delaware General Assembly when it reconvenes in January 2012, so please respond as soon as possible, preferably no later than January 15, 2012.

Again, this is a limited data call for a one-time revenue study related to nonadmitted policies with risk exposures in the state of Delaware, written during the months of July through December 2011 only. Participation is voluntary, but the Department would appreciate full cooperation from all nonadmitted insurers so that the results of this study may be used to protect tax revenues and the benefits to Delaware citizens.

This bulletin is effective immediately.

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

DELAWARE DEPARTMENT OF INSURANCE

REQUEST FOR INSURER POLICY DATA TO COMPLETE FISCAL ANALYSIS PURSUANT TO 18 DEL. C. § 1903A

Return completed spreadsheet by email as an attachment in Excel format to: desurpluslines@state.de.us

Email Instructions: After saving the spreadsheet to your computer, click "File" then click "Send to" then click "Mail Recipient (as Attachment)"

ENTER INFORMATION FOR EACH POLICY WITH EFFECTIVE DATE AFTER JULY 21, 2011 THAT HAS EXPOSURE IN DELAWARE

NOTE: Include premium bearing policy endorsements.

Company Name: _____

EIN: _____

NAIC #: _____

Contact Name: _____

Contact Email: _____

If you have any questions, contact:
Ann Fletcher, CQIA, CICA, APIR
Tax and Fees Coordinator
ann.fletcher@state.de.us

Add columns as needed to report all states with risks covered by each policy →→→→→

Policy Number	Policy Effective Date	Home State of Insured	Multi-State or Single State	Total Policy Premium	State	Premium	State	Premium	State	Premium	State	Premium	State	Premium
Example 1	7/22/2011	MD	M	100.00	DE	25.00	MD	75.00						
Example 2	8/16/2011	DE	S	500.00	DE	500.00								

SAMPLE