



DOMESTIC/FOREIGN INSURERS BULLETIN NO. 49

**TO: ALL INSURANCE COMPANIES ADMITTED OR AUTHORIZED TO
TRANSACT BUSINESS IN DELAWARE**

**RE: NOTICE OF CHANGE TO INSURANCE FRAUD PREVENTION
BUREAU ANNUAL FEE ASSESSMENT AMOUNT**

DATED: May 7, 2012

Beginning in calendar year 2012, the amount which shall be assessed annually against each insurance company to provide the funds necessary for the operation of the Delaware Insurance Fraud Prevention Bureau ("fraud fee") shall be increased from \$550.00 to \$750.00. This change is the result of the enactment of Senate Bill 80 signed by Governor Markell on January 26, 2012, resulting in a legislative change to 18 *Del. C.* § 2415.

Normally, the current calendar year fraud fee is collected when the annual premium tax and fees report is submitted on March 1st annually. In fact, companies paid the former amount of \$550.00, as line item #15 when the calendar year 2011 tax return was filed. However, since this increase in the amount of the fraud fee is effective for calendar 2012, but the change was not enacted until after the premium tax and fees reports had been prepared, the change necessitates the issuance of the attached invoice for the \$200.00 difference in the amount of the annual fraud fee for calendar year 2012. All companies are required to submit payment as instructed (see attached invoice) on or before June 15, 2012.

For calendar year 2013 forward, the fraud fee amount will be adjusted on the annual premium tax and fees report to reflect the increased amount of \$750.00, and companies will only be required to make one payment as has been the practice in the past.

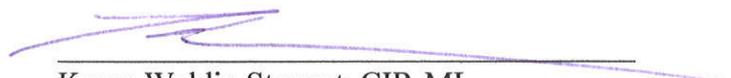
BACKGROUND INFORMATION

The Delaware Insurance Code (18 *Del. C.*, Chapter 24) establishes within the Insurance Department the Delaware Insurance Fraud Prevention Bureau to "confront aggressively the problem of insurance fraud in the State of Delaware by facilitating the detection of insurance fraud, reducing the occurrence of such fraud through administrative enforcement and deterrence, requiring the restitution of fraudulently obtained insurance benefits, and reducing the amount of premium dollars used to pay fraudulent claims" (§2402).

In accordance with 18 *Del. C.* §2404(d), a special revolving fund designated as the Delaware Insurance Fraud Auxiliary Fund has been created within the Bureau to be used by the Bureau in the performance of the various functions and duties required of the Bureau by law. 18 *Del. C.* §2415 further provides that the cost of administration and operation of the Bureau shall be borne by all of the insurance companies admitted or authorized to transact the business of insurance in this State.

These funds are collected by the Insurance Department on behalf of the Bureau and are deposited into the Delaware Insurance Fraud Auxiliary Fund. Due to the separate nature of this special fund, the Delaware Insurance Department considers the Fraud Prevention Bureau Fee to be a Special Purpose Assessment and therefore does not allow the fee amount paid to the State of Delaware to be included in retaliatory tax calculation.

This Bulletin shall be effective immediately.



Karen Weldin Stewart, CIR-ML
Insurance Commissioner



**DELAWARE INSURANCE DEPARTMENT
FRAUD PREVENTION BUREAU
ADDITIONAL ANNUAL ASSESSMENT
FOR THE CALENDAR YEAR 2012**

FRAUD FEE 2012

BACKGROUND INFORMATION AND INSTRUCTIONS

ATTACH CHECK HERE <<<<
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Beginning in calendar year 2012, the amount which shall be assessed annually against each insurance company to provide the funds necessary for the operation of the Delaware Insurance Fraud Prevention Bureau ("fraud fee") shall be increased from \$550.00 to \$750.00. This change is the result of the enactment of Senate Bill 80 signed by Governor Markell on January 26, 2012, resulting in legislative change to 18 Del. C. § 2415.

Normally, the current calendar year fraud fee is collected when the annual premium tax and fees report is submitted on March 1 annually. In fact, companies paid the former amount of \$550.00, as line item #15 when the calendar year 2011 tax return was filed. That practice will be resumed for the calendar year fee 2013 payment, which will be submitted with the 2012 annual premium tax and fees report due March 1, 2013.

However, since the legislation enacting this increase in the amount of the fraud fee is effective for calendar 2012, but was not enacted until after the premium tax and fees reports had been prepared, the change necessitates the issuance of the attached invoice for the \$200.00 difference in the amount of the annual fraud fee for calendar year 2012. All companies are required to submit payment as instructed below, on or before June 15, 2012. These funds are collected by the Insurance Department Premium Tax Section on behalf of the Fraud Prevention Bureau and are deposited into the Delaware Insurance Fraud Auxiliary Fund.

Enter the following information, including the check number for the payment, and submit this form along with the check to the address below. Please note: This additional assessment may not be paid electronically. All companies, including OPTins users, must submit a check for payment of the fee.

COMPANY INFORMATION AND MAILING ADDRESS

Company Name: _____
 Contact Person: _____
 Contact E-mail: _____
 Contact Phone and Ext.: _____
 Company Mailing Address: _____

 City - State - Country - Zip + 4: _____

Federal E.I.N. #: _____
 N.A.I.C. #: _____
 N.A.I.C. Group #: _____
 State of Domicile (abbr.): _____

Questions should be directed to:
Ann Fletcher
 Premium Tax Coordinator
 E-mail: Ann.Fletcher@state.de.us

PAYMENT INFORMATION

PLEASE NOTE: Checks must be made payable to:
Delaware Insurance Department

- | | |
|-----------------------|-----------------|
| 1. Amount Due | \$200.00 |
| 2. Enter Check Number | _____ |

MAILING INSTRUCTIONS

Mail this form, along with payment, to the following address:

DELAWARE DEPARTMENT OF INSURANCE
 ATTN: PREMIUM TAX / FRAUD FEE
 841 SILVER LAKE BLVD.
 DOVER, DE 19904-2465

>> IMPORTANT: PAYMENT MUST BE RECEIVED ON OR BEFORE JUNE 15, 2012 TO AVOID PENALTIES.