

Delaware Captive Insurance Contributes \$4 Million to State

Captives reduce taxpayer burden

Insurance Commissioner Trinidad Navarro announced data showing a strong year of captive insurance formations in Delaware, with 56 licenses provided in 2019, outpacing previous years. “The success of Delaware’s captive insurance program is reflective of the hard work of Delaware’s captive staff in applying firm but fair regulations and finding innovative ways to improve client experience,” said **Commissioner Navarro**.

Of the 56 licensees last year, 52 licenses were issued conditionally. Conditional licenses are an innovative form of licensing offered by the state since 2018. This cutting-edge form of licensing allows certain captive owners to obtain a license on the same day as applying.

“When I assumed office, I recognized the necessity to streamline a number of our processes. Creating the conditional license has helped make Delaware one of the most attractive domiciles for captive insurance,” explained **Commissioner Navarro**, “By bringing in these companies, we have been able to generate a substantial surplus revenue that reduces taxpayer burden and strengthens our economy.”

In 2019, Delaware’s robust captive insurance program contributed \$3 million to the state’s General Fund and \$1 million to the City of Wilmington. The dollars contributed to the General Fund reduce the tax burden for every woman, man, and child in the state by \$3.10. Wilmington residents’ tax burden is reduced by \$17.22 total per person – a family of four in Wilmington saves \$68.88 per year because of this program. Since Fiscal Year 2014, the program generated \$20.7

million in surplus revenue. A 2016 study conducted by University of Delaware found that the captive insurance program contributes \$359 million annually to Delaware's economy.

The success of the Captive division continues to earn international recognition. In 2019, Delaware was named a finalist for Non-Asian Domicile of the Year by leading industry magazine Captive Review. Steve Kinion, Captive Insurance Director, was again named to Captive Review's global Power 50 rankings as one of the top 10 most influential international captive leaders.

Captive insurance companies, which are owned by the entities that they insure, are usually formed by businesses that wish to better manage the cost and administration of their insurance coverage. Delaware is the world's fifth largest and the third largest U.S. captive domicile. It is one of four domiciles in the world recognized by the International Center for Captive Insurance Education as ICCIE Trained. [To learn more, visit \[captive.delaware.gov\]\(http://captive.delaware.gov\).](#)

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