TRINIDAD NAVARRO
COMMISSIONER

STATE OF DELAWARE
DEPARTMENT OF INSURANCE

DOMESTIC AND FOREIGN INSURERS BULLETIN NO. 160

TO: **ALL INSURANCE CARRIERS DOING BUSINESS IN DELAWARE**

RE: **PREMIUM PAYMENT GRACE PERIOD AND CONTINUITY OF COVERAGE FOR FEDERAL EMPLOYEES IMPACTED BY THE GOVERNMENT SHUTDOWN**

DATED: **October 23, 2025**

REVISED: **October 30, 2025**

The original version of Domestic and Foreign Bulletin No. 160 was issued to offer guidance to carriers in response to the federal government shutdown that began on October 1, 2025. This revised Bulletin clarifies that the accommodations outlined are not simply recommendations, but reflect mandatory requirements under Delaware law. The Delaware Department of Insurance (Department) recognizes that the shutdown may cause significant financial hardship for affected federal employees and contractors residing in Delaware. While back pay may eventually be issued, the immediate impact on household budgets can be significant.

Background

Following the federal government shutdown that occurred from December 2018 to January 2019, the Delaware General Assembly enacted the Delaware Federal Employees Civil Relief Act, which took effect on January 16, 2019. This law explicitly prohibits insurance carriers from canceling policies, refusing renewals, or imposing late fees on policies held by affected federal workers due to non-payment of premiums during a shutdown. While the Department's original Bulletin aligned with these statutory protections, this revised Bulletin underscores that compliance with these provisions is not optional.

Required Accommodations for Impacted Policyholders

Grace Periods:

- Carriers must provide a grace period for premium payments missed due to financial hardship caused by the federal shutdown. While the law does not specify a duration, carriers are expected to allow sufficient time for recovery and resolution of delayed compensation. A minimum 60-day grace period is recommended. Longer grace periods are encouraged where feasible.

Moratorium on Cancellations and Nonrenewals:

- Carriers must not cancel or nonrenew any insurance policies solely due to non-payment of premium during the shutdown period, as required by 6 *Del. C.* § 2508E. Flexible payment options are encouraged.

Waiver of Late Fees and Penalties:

- Carriers must not impose late fees, penalties, and interest charges related to delayed premium payments during the shutdown.

Flexible Documentation Requirements:

- Carriers may request reasonable documentation from policyholders demonstrating their status as impacted federal employees or contractors, such as a furlough notice or pay stub.

Time-Period Extension for Repairs:

- While not mandated by statute, carriers are strongly encouraged to provide a minimum 30-day extension for property repairs when a policyholder notifies the carrier that repairs cannot be completed within the timeframe specified in the policy. Longer extensions are encouraged where appropriate.

Applicability & Duration

This Bulletin applies to all admitted and non-admitted carriers providing personal and commercial insurance coverage in Delaware, including but not limited to life, health, auto, homeowners, property, casualty, and renters insurance. Carriers are required to implement the specified accommodations uniformly and in good faith to assist consumers experiencing circumstances beyond their control.

All required accommodations shall remain in effect for the duration of the federal shutdown and for an additional 30 days thereafter to allow for recovery and resolution of delayed compensation.

Federal employees in Delaware experiencing financial hardship due to the government shutdown, and who have concerns about potential insurance coverage disruptions, are encouraged to contact the Department's Consumer Services Division at 302-674-7300 or email consumer@delaware.gov for assistance.

Questions about this Bulletin should be emailed to compliance@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.