

**WAC 284-18-450 Extraordinary dividends and other distributions.**

(1) Requests for approval of extraordinary dividends or any other extraordinary distribution to shareholders must include the following:

(a) The amount of the proposed dividend;

(b) The date established for payment of the dividend;

(c) A statement as to whether the dividend is to be in cash or other property and, if in property, a description thereof, its cost, and its fair market value together with an explanation of the basis for valuation;

(d) A copy of the calculations determining that the proposed dividend is extraordinary. The work paper must include the following information:

(i) The amounts, dates, and form of payment of all dividends or distributions (including regular dividends but excluding distributions of the insurers own securities) paid within the period of twelve consecutive months ending on the date fixed for payment of the proposed dividend for which approval is sought and commencing on the day after the same day of the same month in the last preceding year;

(ii) Surplus as regards policyholders (total capital and surplus) as of the preceding December 31st;

(iii) If the insurer is a life insurer, the net gain from operations for the twelve-month period ending the preceding December 31st;

(iv) If the insurer is not a life insurer, the net income less realized capital gains for the twelve-month period ending the preceding December 31st and the two preceding twelve-month periods; and

(v) If the insurer is not a life insurer, the dividends paid to stockholders excluding distributions of the insurer's own securities in the preceding two calendar years.

(e) A balance sheet and statement of income for the period intervening from the last annual statement filed with the commissioner and the end of the month preceding the month in which the request for dividend approval is submitted; and

(f) A brief statement as to the effect of the proposed dividend upon the insurer's surplus and the reasonableness of surplus in relation to the insurer's outstanding liabilities and the adequacy of surplus relative to the insurer's financial needs.

(2) Subject to RCW 48.31B.030(2) each registered insurer must report to the commissioner all dividends and other distributions to shareholders within fifteen business days following the declaration thereof, including the same information required by subsection (1) of this section.

[Statutory Authority: RCW 48.02.060, 48.31B.040, chapter 48.31B RCW, and 2015 c 122. WSR 15-22-062 (Matter No. R 2015-05), § 284-18-450, filed 10/30/15, effective 1/1/16. Statutory Authority: RCW 48.02.060 and 1993 c 462 § 9. WSR 93-19-005 (Order R 93-9), § 284-18-450, filed 9/1/93, effective 10/2/93.]