**Section 655.30 Prior Notification of Dividends and Other Distributions**

a) Notice

1) Ordinary Dividends. Any domestic company required, pursuant to Code Section 131.16, to notify the Director of a dividend or other distribution to its shareholders shall notify the Director of the proposed dividend or distribution in writing within 5 business days following declaration and no less than 10 business days prior to payment. The 10 day period shall begin the day the notice is received by the Department. The notice shall be deemed incomplete unless all the information required by this Part has been included.

2) Extraordinary Dividends or Other Extraordinary Distributions. Any domestic company required, pursuant to Code Section 131.20a, to notify the Director of an extraordinary dividend or other extraordinary distribution to its shareholders shall notify the Director of the proposed dividend or distribution in writing within 5 business days following declaration and no less than 30 days prior to payment. The 30 day period shall begin the day the notice is received by the Department. The notice shall be deemed incomplete unless all the information required by this Part has been included in the notice.

3) Proof of Receipt. Certified Mail confirmation, confirmation from a commercial delivery service, or the date stamped upon the notice by the Department acknowledging receipt of the filing required by this Part shall serve as proof of the date of receipt of the filing.

b) The domestic company shall provide to the Director the information required by, and in the format specified by, Illustration A, Form D-2.

c) The notification shall be directed to the Deputy Director of the Financial-Corporate Regulatory Division of the Illinois Department of Insurance, Springfield, Illinois 62767.

d) In the case of a proposed payment of extraordinary dividends pursuant to Code Section 131.20a, the Director may require supplemental information in addition to the information required by Illustration A, Form D-2. Supplemental information required by the Director may include but is not limited to: a statement in narrative form of the effects of the proposed dividends on the company's most recent Management Discussion and Analysis; a statement of financial position; a statement of operations; a statement of cash flows; a statement of changes in capital and surplus accounts; a statement in schedule form of risk-based capital requirements; and a statement of significant trends in reinsurance programs, premium volume and/or mix, losses, benefits and general expenses.

e) For the purposes of the Department's review of proposed dividend payments, the factors set forth in Code Section 131.20(2) are not intended to be an exhaustive list. In determining the adequacy and reasonableness of an insurer's surplus, no single factor shall be controlling. Instead, the Director will consider the net effect of all these factors plus any other factors bearing on the financial condition of the insurer. In comparing the surplus maintained by other insurers, the Director will consider the extent to which each of the factors varies from company to company and, in determining the quality and liquidity of investments in subsidiaries, the Director will consider the individual subsidiary and may discount or disallow its valuation to the extent that the individual investments warrant.

(Source: Amended at 41 Ill. Reg. 7586, effective June 19, 2017)