

COMMONWEALTH OF VIRGINIA

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STATE CORPORATION COMMISSION BUREAU OF INSURANCE

March 6, 1992

ADMINISTRATIVE LETTER 1992-8

- TO:** All Companies Required to Register with the Commission as Members of an Insurance Holding Company System
- RE:** Required Filings of Insurers that are Members of an Insurance Holding Company System

Subsection E of § 38.2-1329 of the Code of Virginia states that each insurer shall report to the Commission all dividends and other distributions to shareholders within two business days following their declaration. The Commission's rules concerning "Insurance Holding Companies" (Regulation No. 14), at Section 7, require that this report include the following:

- (1) the date declared, date of record and date of payment of the dividend;
- (2) 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 the fair market value of such property together with an explanation of the basis of valuation;
- (3) the amounts and dates of all dividends paid within the period of 12 consecutive months ending on the date fixed for payment of the reported dividend and commencing on the day after the same day of the month in the last preceding year; and
- (4) a brief statement as to the effect of the reported dividend upon the insurer's surplus as regards policyholders and the reasonableness of surplus as regards policyholders in relation to the insurer's outstanding liabilities and the adequacy of surplus as regards policyholders relative to the insurer's needs.

Each registered insurer shall also keep current the information required in a Form B registration statement by filing an amendment to its registration statement within 120 days after the end of each fiscal year of the ultimate controlling person of the insurance holding company system.

An amendment to Form B must be filed within 15 days after the end of any month in which an insurer learns of the following:

- (i) there is a change in the control of the registrant, in which case the entire Form B shall be made current;
- (ii) there is a material change in the information given in Item 5 of Form B;
- (iii) there is a material change in any portion of the information given in Item 6 of Form B which relates to previously reported material transactions with affiliates;
- (iv) there are additional material transactions with affiliates involving information of the type required to be reported in Item 6 of Form B.

The Bureau has become aware that some insurers may not be making all the filings as required by § 38.2-1329 and Insurance Regulation 14. Reports of past dividend or other distributions to shareholders which have not been filed with the Commission and any other filings which may be delinquent should be submitted immediately. The failure to make timely filings may result in the imposition of monetary penalties. Additional regulatory action may be taken by the Commission if a company remains out of compliance with provisions of the Code of Virginia.

Any questions regarding the contents of this letter should be directed in writing to:

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Sincerely,



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