**Section 1305.30 Prior Notification of Dividends and Other Distributions**

a) Notice

1) Any domestic captive insurance company required by Section 123C-26 of the Code to notify the Director of a dividend or other distribution to holders of an equity interest in the captive insurance company shall notify the Director of the proposed dividend or distribution in writing within 5 business days following the 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) 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 captive insurance company shall provide to the Director the information required in this Part on Form D-2 (see 50 Ill. Adm. Code 655.Illustration A) or on a similar form from and via the website of the Department.

c) The notification shall be directed to the Deputy Director of the Financial-Corporate Regulatory Division of the Illinois Department of Insurance, 320 W. Washington Street, Springfield, Illinois 62767.

d) The notification shall contain the following information:

1) name and addresses of the company sending the notification and of any companies on whose behalf the notification is being sent;

2) date of mailing;

3) name, title, address and telephone number or email address for the person to whom notices should be sent regarding this notification;

4) the amount of the dividend or other distribution and the date established for payment;

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

6) the amounts and payment dates of all dividends paid within the period of 12 consecutive months ending on the date fixed for payment of the proposed dividend for which notification is being given or approval is being sought;

7) a balance sheet and statement of income, for the period intervening from the last annual statement filed with the Director and the end of the month preceding the month in which the prior notification of the dividend is submitted, indicating the amount of all unrealized capital gains included in unassigned funds;

8) a brief statement of:

A) the effect of the proposed dividend upon the insurer's surplus;

B) the reasonableness of surplus in relation to the insurer's outstanding liabilities; and

C) the adequacy of surplus relative to the insurer's financial position;

9) a calculation of the insurer's risk based capital level as of the most recently filed financial statement (quarterly or annual), adjusted to show the effect of the proposed dividend or other distribution; and

10) date, name and signature of the individual sending the notification, attested to by an officer of the company.

e) In determining whether to approve the issuance of the dividends or other distributions, the Director shall review the notification, information included in the notification, and any other relevant information to determine if the issuance or other distribution may materially impair the domestic captive insurance company or companies.