



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
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JULIE MIX MCPEAK
COMMISSIONER

BULLETIN 17-03

TO: All Licensed Tennessee Stock Insurance Companies
FROM: Julie Mix McPeak, Commissioner *Julie Mix McPeak*
RE: Electronic Reporting of Dividends
DATE: December 21, 2017

The purpose of this Bulletin is to clarify notice requirements regarding the payment of dividends. This Bulletin is issued pursuant to the powers of the Commissioner described in Tenn. Code Ann. § 56-11-107(b) that permit the Commissioner to order the production of information reasonably necessary to determine compliance with Title 56, Tennessee Insurance Laws.

Pursuant to the authority vested to the Commissioner by the above statute, the Tennessee Department of Commerce and Insurance ("Department") will require electronic and hard copy notice prior to payment of dividends by domestic stock insurance companies effective January 1, 2018. These notices should be remitted by email to NoticeTo.TDCI@tn.gov.

Electronic notice for ordinary dividends should be provided in a manner consistent with the reporting requirements under Tenn. Code Ann. § 56-11-105(e). That provision states:

(e) Reporting of Dividends to Shareholders. Subject to § 56-11-106(b), each registered insurer and each registered health maintenance organization shall report to the commissioner, for informational purposes, all dividends and other distributions to shareholders within five (5) business days following the declaration thereof, and at least ten (10) days prior to their payment.

Electronic notice for extraordinary dividends and distributions should be provided according to the requirements of Tenn. Code Ann. § 56-11-106(b). However, companies are reminded that the Department makes the final determination as to whether a dividend is ordinary or extraordinary and that any questions about the classification of a dividend should be addressed with the Department prior to payment.

Any questions about the intent of this Bulletin should be directed to the Financial Affairs Section, 7th Floor, Davy Crockett Tower, 500 James Robertson Parkway, Nashville, Tennessee, 37243, and/or (615) 741-1559.