

FORM G – INSTRUCTIONS FOR NOTICE OF
DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS
PURSUANT TO §§ 38.2-1329 F AND 38.2-1330.1
OF THE CODE OF VIRGINIA.

[Note: The following form and instructions pertain to rules regarding Insurance
Holding Companies at **14 VAC 5-260** of the Virginia Administrative Code
issued by the Virginia State Corporation Commission
for entities subject to regulation through the Bureau of Insurance.]

I. Regulation as to Use of Form G. Form G shall be used by all domestic insurers and registrants to report dividends and distributions to shareholders pursuant to the following provisions of the Code of Virginia:

§ 38.2-1329 F Requires that each insurer subject to registration under § 38.2-1329 report to the Commission all dividends and other distributions to shareholders within five (5) business days following their declaration. An insurer shall not pay a dividend or other distribution until 30 days after the Commission has received written notice of the declaration thereof and has not within such period disapproved such payment. The Commission may approve the payment of such dividend or distribution prior to the 30 days previously noted.

§ 38.2-1330.1 Provides that no domestic insurer shall declare or pay any extraordinary dividend or make any extraordinary distribution to shareholders or confer any rights on its shareholders regarding the dividend or distribution until the earlier of (i) 30 days after the Commission has received written notification of the declaration thereof and has not within such time period disapproved such payment, or (ii) the Commission has approved such payment.

Subsequent amendments shall also be filed on Form G, but shall include on the top of the cover "Amendment No. to...." and shall indicate as its "Date," the date of the amendment and not the date of the original filing.

II. Preparation of Application. This form is not to be used as a blank form to be filled in but only as a guide in the preparation of the application. The application shall contain the numbers and captions of all items, but the text of the items may be omitted provided the answers thereto are prepared in such a manner as to indicate clearly the scope and coverage of the items. All instructions, whether appearing under the items of the form or elsewhere therein, are to be omitted. Unless expressly provided otherwise, if any item is inapplicable or the answer thereto is in the negative, an appropriate statement to that effect shall be made.

III. Number of Copies; Signatures.

(1) The original and one hardcopy of each statement notice, including exhibits and all other documents filed as a part thereof, shall be filed with the Commission by personal delivery or mail addressed to: State Corporation Commission, Bureau of Insurance, ATTN: Financial Regulation Division, P.O. Box 1157, Richmond, VA 23218 (Tyler Building - 6th Floor, 1300 East Main Street, 23219).

(2) At least one copy of each application filed with the Commission shall be signed in the manner prescribed by this form. Unsigned copies shall be conformed.

(3) If the signature of any person is affixed pursuant to a power of attorney or other similar authority, a copy of such power of attorney or other authority shall also be filed with the notice.

IV. Requirements as to Printing and Language.

(1) Statements should be prepared on paper 8 1/2"x11" in size and preferably bound at the top or the top left-hand corner. All pages should be sequentially numbered. Exhibits and financial statements, unless specifically prepared for the filing, may be submitted in their original size.

(2) All copies of any statements or documents shall be clear, easily readable and suitable for review and reproduction. Debits in credit categories and credits in debit categories shall be designated so as to be clearly distinguishable as such on photocopies.

(3) Statements shall be in the English language and monetary values shall be stated in United States currency. If any exhibit or other document filed with the statement is in a foreign language, it shall be accompanied by a translation into the English language and any monetary value shown in a foreign currency normally shall be converted into United States currency.

(4) Any amendments to the application that include the refiling of original documents in their entirety shall be "red-lined" or otherwise marked to reflect all changes made by the amendment.

V. Additional Information and Exhibits.

(1) In addition, there shall be added such further material information, if any, as may be necessary to make the information contained therein not misleading.

(2) The applicant may file such exhibits as it may desire in addition to those expressly required by the statement. Such exhibits shall be so marked as to indicate clearly the subject matters to which they refer.

VI. Information Unknown or Not Available. Information required need be given only insofar as it is known or reasonably available to the person filing the statement. If any required information is unknown and not reasonably available to the person filing, either because the obtaining thereof would involve unreasonable effort or expense, or because it rests peculiarly

within the knowledge of another person not affiliated with the person filing, the information may be omitted, subject to the following conditions:

(1) the person filing shall give such information on the subject as it possesses or can acquire without unreasonable effort or expense, together with the sources thereof; and

(2) the person filing shall include a statement either showing that unreasonable effort or expense would be involved or indicating the absence of any affiliation with the person within whose knowledge the information rests and stating the result of a request made to such person for the information.

VII. Incorporation by Reference.

(1) Matters required by any item of this form may be incorporated by reference in answer or partial answer to any other item.

(2) Information contained in a statement filed pursuant to the Securities Act of 1933, the Securities Exchange Act of 1934 or disclosure and information contained in any financial statement, annual report, proxy statement filed with any other governmental authority, or other document may be incorporated by reference in answer or partial answer to any item of this form, provided such information substantially satisfies the requirements of this application and copies of all documents containing such information are attached as exhibits to this form.

(3) Material incorporated by reference shall be clearly identified in the reference. An express statement that the specified matter is incorporated by reference shall be made at the particular place in the application where the information is required. Matter shall not be incorporated by reference in any case where such incorporation would render the statement incomplete, unclear or confusing.

(4) Documents incorporated by reference which are currently on file with the Commission, and which were filed within three years, need not be attached as exhibits unless the Commission specifically requests otherwise. Please include the original date of filing with the Commission. References to information contained in exhibits or in documents already on file shall clearly identify the material and shall specifically indicate that such material is to be incorporated by reference in answer to the item. The Commission may at any time in its discretion require the filing of copies of any omitted documents.

VIII. Summaries or Outlines of Documents. Where an item requires a summary or outline of the provisions of any document, only a brief statement shall be made as to the pertinent provisions of the document. In addition to such statement, the summary or outline may incorporate by reference particular parts of any exhibit or document currently on file with the Commission, which was filed within three years, and may be qualified in its entirety by such reference. Please include the original date of filing with the Commission.

IX. Omission of Substantially Identical Documents. In any case where two or more documents required to be filed as exhibits are substantially identical in all material respects except as to the parties thereto, the dates of execution, or other details, the person filing need file

a copy of only one of such documents with a schedule identifying the omitted documents and setting forth the material details in which **cited** documents differ from **filed** documents. The Commission may at any time in its discretion require the filing of copies of any omitted documents.

X. Extension of Time for Furnishing Information. If it is impractical to furnish any required information, document or report at the time it is required to be filed, the applicant may file with the Commission as a separate document an application (i) identifying the information, document or report in question, (ii) stating why the filing thereof at the time required is impractical, and (iii) requesting an extension of time for filing the information, document or report to a specified date. The request for extension shall be deemed granted unless the Commission, within 30 days after receipt thereof enters an order denying the request.

**NOTICE OF DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS
PURSUANT TO §§ 38.2-1329 F AND 38.2-1330.1
OF THE CODE OF VIRGINIA**

filed with the

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
Bureau of Insurance**

DATE: _____

by

Name of Registrant

On Behalf of the Following Insurance Companies

| | | |
|---------------|-------------------|---------------------|
| _____ Name | _____ NAIC No. | _____ Dom. State |
| _____ Name | _____ NAIC No. | _____ Dom. State |
| _____ Name | _____ NAIC No. | _____ Dom. State |

Name, Title, Address, and Telephone Number of Individual to Whom Notices and Correspondence Concerning this Statement Should be Addressed:

FORM G

ITEM 1. IDENTITY OF PARTIES TO TRANSACTION

Furnish the following information for each of the parties to the transaction:

- (a) Name.
- (b) Home office address.
- (c) Principal executive office address.
- (d) The organizational structure; i.e., corporation, partnership, individual, trust, etc.

- (e) Description of the nature of the party's business operations.
- (f) Relationship, if any, of other parties to the transaction to the insurer filing the notice, including any ownership or debtor/creditor interest by any other parties to the transaction in the insurer seeking approval, or by the insurer filing the notice in the affiliated parties.
- (g) Where the transaction is with a non-affiliate, the name(s) of the affiliate(s) which will receive, in whole or in substantial part, the proceeds of the transaction.

ITEM 2. DESCRIPTION OF THE TRANSACTION

Furnish the following information for each transaction for which notice is being given:

- (a) A statement as to whether notice is being given under § 38.2-1329 F, or § 38.2-1330.1, or both § 38.2-1329 F and § 38.2-1330.1 of the Code of Virginia;
- (b) A brief description of the nature of the transaction, including a statement stating whether the dividend or distribution is or may be extraordinary;
- (c) The proposed effective date of the transaction; and
- (d) The date(s) on which regulatory approvals, if any, were received or are anticipated.
- (e) A statement as to whether the dividend or distribution is being paid from earned surplus as defined in § 38.2-1330.1 of the Code of Virginia.

ITEM 3. DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS

- (a) For dividends and other distributions to affiliates which are not extraordinary dividends or other extraordinary distributions to shareholders furnish the following:
 - (i) The amount of the proposed dividend;
 - (ii) The date of declaration, date of record and date established for payment of the dividend;
 - (iii) 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;
 - (iv) 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 12 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.

- (v) 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.
- (b) If the transaction involves an extraordinary dividend or any other extraordinary distribution to shareholders furnish all data listed above and also the following:
- (i) Statements of financial condition and earnings for the period intervening from the last annual statement filed with the Commission and the end of the month preceding the month in which the request for dividend approval is submitted; and, if the date of payment or distribution is more than 60 days removed from the date of the most current financial statement submitted by the insurer, the insurer shall include also a pro forma statement as of the day after the distribution or payment of the dividend showing its effect and other known and reasonably projected adjustments to the financial condition and earnings of the insurer; and
 - (ii) A copy of the calculations determining that the proposed dividend is extraordinary. The work paper shall include the following information:
 - (aa) The amounts, dates and form of payment of all dividends or distributions (including regular dividends but excluding distributions of the insurer's own securities) paid within the period of 12 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.
 - (ab) Surplus to policyholders (total capital and surplus) as of the 31st day of December next preceding;
 - (ac) If the insurer is a life insurer, the net gain from operations for the 12-month period ending the 31st day of December next preceding;
 - (ad) If the insurer is not a life insurer, the net income, less realized capital gains, for the 12-month period ending the immediately preceding December 31 and shall not include pro rata distributions of any class of the insurer's own securities; and
 - (iii) Statements on each factor set forth in § 38.2-1330 D of the Code of Virginia must be submitted in support of the request for approval of an extraordinary dividend or distribution, although these factors are not intended to be an exhaustive list.

In determining the adequacy and reasonableness of an insurer's surplus to policyholders, no single factor is controlling. The Commission, instead, will consider the net effect of all factors set forth in § 38.2-1330 D of the Code of Virginia plus other factors bearing on the financial condition of the insurer.

In comparing the surplus to policyholders maintained by other insurers, the Commission will consider the extent to which each of the factors varies from company to company.

In determining the quality and liquidity of investments in subsidiaries, the Commission will consider the individual subsidiary. The Commission in its judgment may classify any investment in the subsidiary as a nonadmitted asset for the purpose of determining the adequacy of surplus to policyholders and, in so doing, may discount or disallow the subsidiary's valuation to the extent that the individual investments so warrant.

- (iv) In addition, in order to determine the possibility of any financial effect on the insurer, the Commission may request the means of funding and the purpose of the extraordinary dividend or distribution.

ITEM 4. SIGNATURE AND OATH

Signature and oath shall be in the following form:

SIGNATURE

Pursuant to the requirements of § 38.2-1329 F and/or § 38.2-1330.1 of the Code of Virginia and 14 VAC 5-260 of the Virginia Administrative Code, _____
(name of registrant)
has caused this application /notice to be duly signed on its behalf in the City/County of _____
and State of _____ on the _____
day of _____, 20____.

(SEAL)

Name of Registrant
By: _____
(Name) (Title)

Attest:

Title: _____

OATH

The undersigned deposes and says that (s)he has duly executed the attached application/notice dated _____, 20____, for and on behalf of _____; that (s)he is the
(name of registrant)

_____ of such company; and that (s)he has the authority
(title of officer)
to execute and file such instrument. Deponent further says that (s)he is familiar with such
instrument and the contents thereof, and that the facts therein set forth are true to the best of
his(her) knowledge, information and belief.

(Signature)

(Type or print name beneath signature)

Subscribed and sworn to before me this ____ day of _____, 20 ____.

(SEAL)

Notary Public in and for the
City/County of _____
State of _____

My commission expires on the ____ day of _____, 20 ____.