

304.24-619 Dividend preservation provisions.

- (1) No dividend preservation provisions shall provide in any way or substitute for the distribution of consideration to eligible members upon extinguishing their membership interests.
- (2) Any dividend preservation provision may be limited to participating individual life insurance policies and participating individual annuity contracts in force or deemed to be in force by the plan of conversion on the effective date of the plan of conversion for which the converting mutual insurer has an experience-based dividend scale due, paid, or accrued by action of the board of directors of the converting mutual in the year in which the plan of reorganization is adopted, except that:
 - (a) Policies that would be included but for the fact that their recent issuance results in no dividends for an initial period, may be included;
 - (b) Policies that are in force as extended term insurance may be included; and
 - (c) Other categories of policies and benefits not described in this subsection may be included or excluded with approval of the commissioner.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1358, effective July 15, 2010. -- Created 2000 Ky. Acts ch. 42, sec. 11, effective July 14, 2000.