

April 8, 1931

SUBJECT: INSURANCE

WITHDRAWN

To All Authorized Life Insurance Companies:

Re: Advance Announcement of Dividends to Policyholders

In this Department's circular letter of January 10, 1930, it was held that any advance announcements of dividends must be made within two months of the date when the first dividend is payable, to which the announcement refers. It is possible that due to existing business conditions some life companies may find it advisable to adopt a lower dividend scale for 1932. In order to prevent a large volume of business being written upon dividend representations and estimates which cannot be fulfilled, I am of the opinion that if a company contemplates a reduction in dividends for 1932, it should not only be permitted but required to announce the change at the earliest possible date. This appears only fair to the insuring public. In order to place all companies upon an equality, I am ruling that the early announcement in such cases is mandatory and not merely permissive.

Each company should notify this Department of any action by its Board of Directors resulting in any material change in the dividend formula and in addition furnish a copy of any statement or recommendation of the actuary or other executive officer with respect to such change in dividends.

Yours very truly,

(Signed) GEORGE S. VAN SCHAICK

Superintendent