

## West Virginia Workers' Compensation Dividend Plan Guidelines

The West Virginia Offices of the Insurance Commissioner will consider for approval all reasonable dividend plans. The guidelines below apply specifically to the workers' compensation line and are provided to assist insurers when developing dividend plans for West Virginia's newly privatized workers' compensation market.

These guidelines are not all-inclusive, filings will be reviewed on an individual basis. This document is intended to provide carriers with guidance when preparing filings.

- Confirmation that the articles of incorporation for each company allow them to offer a dividend plan and documentation must be provided.
- Dividend plans must indicate the date that dividends will be paid.
- Dividend plans must state the minimum premium required to be eligible for a dividend.
- All dividend plans will be subject to premium audit.
- Dividend plans must state the criteria or formula used to determine dividends.
- Dividend plans will indicate what the minimum dividend payment will be.
- Dividend plans must determine a minimum policy period prior to being eligible for a dividend.
- Dividend plans must list the officers, board of directors, committee members, etc. who will declare a dividend.
- Dividend plans will state any exceptions or exclusions that will be used in dividend determination.
- All dividend plans must clearly state that dividends are not guaranteed.

Questions pertaining to this letter should be directed to the Rates and Forms Division's Property and Casualty Section at (304) 558-2094.