

**304.24-320 Dividends to stockholders.**

- (1) An insurer shall not pay any dividend to stockholders except out of that part of its surplus funds which is derived from any realized net profits. No cash dividend shall be paid nor distribution of assets made out of any surplus funds resulting from a decrease of capital stock effective within two (2) years prior to the declaration of the dividend.
- (2) "Surplus funds" means the excess of the insurer's assets over its liabilities, including its capital stock as a liability.

**Effective:** June 18, 1970

**History:** Created 1970 Ky. Acts ch. 301, subtit. 24, sec. 32, effective June 18, 1970.