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INSURANCE CODE - INS

DIVISION 2. CLASSES OF INSURANCE [1880 - 12880.8] (*Division 2 enacted by Stats. 1935, Ch. 145.*)

PART 1. FIRE AND MARINE INSURANCE [1880 - 10108.1] (*Part 1 enacted by Stats. 1935, Ch. 145.*)

CHAPTER 4. General Mutual Insurers [4010 - 4097.20] (*Chapter 4 added by Stats. 1963, Ch. 1772.*)

ARTICLE 5. Dividends to Policyholders [4050 - 4052] (*Article 5 added by Stats. 1963, Ch. 1772.*)

[4050.](#) The directors of a domestic mutual insurer may from time to time apportion and pay or credit to its members dividends only out of that part of its surplus funds which represents net realized savings, net realized earnings, and net realized capital gains, all in excess of a surplus equivalent to the aggregate of paid-in capital and unassigned surplus required by this code for the issuance of a certificate of authority to a capital stock insurer transacting the same classes of insurance.

(*Added by Stats. 1963, Ch. 1772.*)

[4051.](#) A dividend otherwise proper may be payable out of such savings, earnings, and gains even though the insurer's total surplus is then less than the aggregate of contributed surplus remaining unpaid by the insurer.

(*Added by Stats. 1963, Ch. 1772.*)

[4052.](#) The payment of any such dividends on a workers' compensation policy shall be subject to the provisions of Section 11738 and for that purpose a mutual policy shall be considered to be a participating policy.

(*Amended by Stats. 2018, Ch. 231, Sec. 13. (AB 2045) Effective January 1, 2019.*)