



# qathet

## REGIONAL DISTRICT

**SECTION 3**            **FINANCIAL POLICIES**

**POLICY**            **3.8**

**SUBJECT**           **INSURANCE DIVIDEND ALLOCATION**

**ADOPTED**          **AUGUST 23, 2007**

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**PURPOSE:**

To establish a procedure for allocating insurance dividends that allows services contributing to insurance premium costs to benefit proportionately from dividend revenue.

**RATIONALE:**

Property insurance premium costs are apportioned among regional district services based on the relative value of assets [property insurance] attributable to that service. Liability insurance premiums are allocated based on the service operating budget and the risk rating for that service. Distributing dividends to offset these costs is fair and equitable.

**POLICY:**

1. A dividend received from an insurance provider shall be credited to regional district services based on their proportionate share of the insurance premium costs charged by that provider in the year for which the dividend was paid.