



Texas Department of Insurance

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ANALYSIS OF SURPLUS

File with 2006 Life and Accident and Health Annual Statement
File this Form if TX life domestic company or commercially domiciled life company

Company Name

From Insert inception or genesis date to Insert date of current financial statement

Cumulative Surplus
[use () for
decreases of surplus]

The amounts below are cumulative- from inception

- 1. Net gain from operations before dividends to policyholders and before federal income taxes \$
2. Dividends to policyholders
3. Federal and foreign income taxes (excluding tax on capital gains)
4. Net realized capital gains or losses
5. Nonadmitted assets
6. Liability for reinsurance in unauthorized reinsurance
7. Dividends to stockholders - cash
8. Dividends to stockholders - paid in stock other than return of surplus paid in
9. Reserve on account of change in valuation basis
10. Cumulative effect of changes in accounting principles
11.
12.
13.

Earned Surplus Total

Special surplus funds:

- 14.
15.
16.
17. Paid in and contributed surplus
18. Surplus arising from sale of surplus debentures, etc.
19. Surplus debentures paid off or retired, etc.
20. Surplus arising from increase in book value of real estate
21. Dividends to stockholders paid in stock by return of surplus paid in
22. Unrealized capital gains gross*
23. Unrealized capital losses gross**
24. Asset valuation reserve
25. Unrealized foreign exchange adjustment gains gross***
26. Unrealized foreign exchange adjustments losses gross****
27. Change in net deferred income tax
28.
29.
30. Net surplus at date of current financial statement exclusive of capital

* Enter the excess of market value over book value for all securities with a gain position at current financial statement date.
** Enter the excess of book value over market value for all securities with a loss position at current financial statement date.
*** Enter the excess, if any, of the foreign exchange rate at the statement date over book value of foreign currency assets.
**** Enter the excess, if any, of the book value of foreign assets over the foreign exchange rate at the statement date.

Analysis of Surplus - General Guidelines:

The analysis of surplus form allocates net surplus into component parts since inception of the company, exclusive of capital. The main purpose of this form is to determine the amount of earned surplus.

Positive earned surplus is required before dividends can be paid under TX Insurance Code articles 21.31, 21.32 and 21.32A. Exclusive of capital, surplus is viewed in two broad categories -it is either contributed or it is earned. The form is basically structured in 3 parts; (a) earnings (lines 1-13), (b) surplus contributions (lines 18-20), and (c) unrealized gains and losses (lines 23, 24, 26). To calculate earned surplus, add lines 1-13. There may be other transactions that also affect earnings, but are not included in current year earnings, lines 1-13, such as prior period adjustments. These would be write-in items and would be added to the earned surplus calculation. This form excludes unrealized gains and losses and change in net deferred income tax in the calculation from earned surplus.

Note: Some items on this form require historical information (e.g. net income), while other information can be derived from the annual statement itself as a change from one period to another (e.g. nonadmitted assets).