

Texas Department of Insurance

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ANALYSIS OF SURPLUS File with 2006 Fraternal Annual Statement

File this Form if TX Fraternal domestic company or commercially domiciled Fraternal company

	Company Name	
	to	
Insert inception or genesis date	to Insert date of current financial stater	nent
		Cumulative Surplus [use () for decreases of surplus]
s below are cumulative - from inception o	of company	or surplus
Net gain from operations before refunds to members		\$
Refunds to members		
Realized capital gains or (losses)		
Nonadmitted assets and related items		
Liability for reinsurance in unauthorized	d companies	
Realized foreign exchange adjustment		-
Change in reserve on account of change		
Change in asset valuation reserve	ge III valuation basis	
Cumulative effect of changes in accour	ating principles	
•	• ,	
	Earned Surplus Total	
	·	
Special reserves:		
Paid in and contributed surplus		
Surplus arising from sale of surplus del		
Surplus debentures paid off or retired,		-
Surplus arising from increase in book v	ralue of real estate	
Unrealized capital gains gross*		
Unrealized capital losses gross**		
Unrealized foreign exchange adjustme		
	nts <u>losses</u> <u>gross</u> ****	
Unrealized foreign exchange adjustme		
Unrealized foreign exchange adjustme		
Unrealized foreign exchange adjustme		

- 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.

<u>Analysis of Surplus - General Guidelines:</u>

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 three parts; (a) earnings (lines 1 - 11), (b) surplus contributions (lines 14-16), and (c) unrealized gains and losses (lines 19, 20, 21, 22). To calculate earned surplus add lines 1 – 11. There may be other transactions that also affect earnings, but are not included in current year earnings lines 1-11, 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 in the calculation from earned surplus.

Note: Some items on this form require historical information (e.g. cumulative net income), while other information can be derived from the annual statement itself as a change from one period to another (e.g. not admitted assets).