

## **Texas Department of Insurance**

Financial, Financial Analysis & Examinations, Mail Code 303-1A 333 Guadalupe • P. O. Box 149104, Austin, Texas 78714-9104 512-322-5002 telephone • 512-322-5082 fax • www.tdi.state.tx.us

## **ANALYSIS OF SURPLUS** File with 2006 Title Annual Statement

File this Form if TX Title domestic company, or commercially domiciled Title company

		Company Nam	e		
	Insert inception or genesis	s date	Insert date of curr	ent financial s	tatement
Cumulative S	urplus				[use ( ) for
					decreases of surplus]
All items belo	w are cumulative - from inc	eption of company			Surprus
Net operating	gain or loss				\$
Net investmen					
	reign income taxes				
Nonadmitted a					
	nauthorized reinsurance				
	gn exchange adjustment gains	s or losses			
	tockholders - cash				
	tockholders - paid in stock of	other than return of su	rnlus naid in		
			i pius puiu iii		
	fect of changes in accounting	principles			
	fect of changes in accounting	principles			
Supplemental	Reserves	•			
Supplemental	Reserves				
Supplemental	Reserves				
Supplemental	Reserves		Earned Surpl		
Supplemental	Reserves				
Supplemental  Special reserv	Reserves		Earned Surpl	us Total	
Supplemental  Special reserv	Reserves  es:		Earned Surpl	us Total	
Supplemental  Special reserv	Reserves		Earned Surpl	us Total	
Supplemental  Special reserv	Reserves  es:		Earned Surpl	us Total	
Special reserv Paid in and co	Reserves  es:  intributed surplus		Earned Surpl	us Total	
Special reserv  Paid in and co Surplus arising	Reserves  es:  ntributed surplus g from sale of surplus debentu		Earned Surpl	us Total	
Special reserv  Paid in and co Surplus arising Surplus deben	es:  Intributed surplus of from sale of surplus debentulates paid off or retired, etc.	ıres, etc.	Earned Surpl	us Total	
Special reserv  Paid in and co Surplus arising Surplus deben Surplus arising	es:  Intributed surplus g from sale of surplus debentutures paid off or retired, etc. g from increase in book value	ires, etc.	Earned Surpl	us Total	
Special reserv  Paid in and co Surplus arising Surplus deben Surplus arising Dividends to s	es:  ntributed surplus g from sale of surplus debentutures paid off or retired, etc. g from increase in book value tockholders paid in stock by the	ires, etc.	Earned Surpl	us Total	
Supplemental  Special reserv  Paid in and co Surplus arising Surplus deben Surplus arising Dividends to s Unrealized cap	es:  Intributed surplus Is from sale of surplus debentures paid off or retired, etc. Is from increase in book value tockholders paid in stock by inital gains gross*	ires, etc.	Earned Surpl	us Total	
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Supplemental  Special reserv  Paid in and co Surplus arising Surplus deben Surplus arising Dividends to s Unrealized cap Unrealized for Unrealized for Change in net	Reserves  ontributed surplus g from sale of surplus debentures paid off or retired, etc. g from increase in book value tockholders paid in stock by roital gains gross* eign exchange adjustment gareign exchange adjustments lo	of real estate return of surplus paid ins gross***	Earned Surplu	us Total	
Supplemental  Special reserv  Paid in and co Surplus arising Surplus deben Surplus arising Dividends to s Unrealized cap Unrealized for Unrealized for Change in net	ntributed surplus g from sale of surplus debentutures paid off or retired, etc. g from increase in book value tockholders paid in stock by retital gains gross* pital losses gross* eign exchange adjustment gaineign exchange adjustments loddeferred income tax	of real estate return of surplus paid ins gross***	Earned Surplu	us Total	

- 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 3 parts; (a) earnings (lines 1 - 12), (b) surplus contributions (lines 16-18), and (c) unrealized gains and losses (lines 21, 22, 23, 24). To calculate earned surplus add lines 1 – 12. There may be other transactions that also affect earnings, but are not included in current year earnings lines 1-12, 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).