

ERRATA TO

**Statutory Surplus:
Computation, Pricing and Valuation**

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The Errata to Statutory Surplus (Fifth Edition) is corrected as follows:

The second full paragraph on page 9, just above the section titled “Interest Due and Accrued” is replaced by the following paragraph. The corrected figure is shown in red below.

If by December 31, 20X4, incurred losses are \$65 million, and the insurer expects another **\$65 million** of incurred losses in the next six months, the DPAC is reduced to zero, and a premium deficiency reserve of \$15 million is set up on both GAAP and statutory statements.