

U.S. Life Insurance Company Income Tax Return

OMB No. 1545-0128

For calendar year 1996 or tax year beginning, 1996, ending, 19 ..

1996► **Instructions are separate. See page 1 for Paperwork Reduction Act Notice.****A** Check if:**(1)** Consolidated return
(attach Form 851) ☐**(2)** Nonlife insurance
companies are
included ☐**Please
print
or
type**

Name

Number, street, and room or suite no. (If a P.O. box, see page 5 of instructions.)

City or town, state, and ZIP code

B Employer identification number**C** Date incorporated**D** Check applicable box if an election
has been made under section(s) ►**E** Check if: (1) ☐ Final return (2) ☐ Change of address (3) ☐ Amended return☐ 953(c)(3)(C) ☐ 953(d)

Income	1	Gross premiums, etc., less return premiums, etc. Enter balance	1		
	2	Net decrease, if any, in reserves (see page 6 of instructions)	2		
	3	10% of any decrease in reserves under section 807(f)(1)(B)(ii)	3		
	4	3½% of yearend balance of reserves under section 807(e)(7)(B)	4		
	5	Investment income (Schedule B, line 8) (see page 6 of instructions)	5		
	6	Net capital gain (Schedule D, line 12 (Form 1120))	6		
	7	Income from a special loss discount account (attach Form 8816)	7		
	8	Other income (attach schedule)	8		
	9	Life insurance company gross income. Add lines 1 through 8	9		
Deductions (See instructions for limitations on deductions.)	10	Death benefits, etc.	10		
	11	Net increase, if any, in reserves (Schedule F, line 37)	11		
	12	10% of any increase in reserves under section 807(f)(1)(B)(i)	12		
	13	Deductible policyholder dividends (Schedule E, line 7)	13		
	14	Consideration paid for assumption by another person of liabilities	14		
	15	Dividends reimbursable by taxpayer	15		
	16a	Interest ►	16c		
	17	Deductible policy acquisition expenses (Schedule G, line 20)	17		
	18	Additional deduction (attach Form 8816)	18		
	19	Other deductions (see instructions) (attach schedule)	19		
	20	Dividends-received deduction (Schedule A, line 16, column (c))	20		
	21	Operations loss deduction (see page 7 of instructions) (attach schedule)	21		
	22	Total deductions. Add lines 10 through 21	22		
	23	Gain or (loss) from operations. Subtract line 22 from line 9	23		
	24	Small life insurance company deduction (Schedule H, line 17)	24		
	25	Life insurance company taxable income (LICTI). Subtract line 24 from line 23	25		
	26	Limitation on noninsurance losses (Schedule I, line 9)	26		
	27	Amount subtracted from policyholders surplus account (Schedule J, Part II, line 10)	27		
Tax and Payments (See page 8 of instructions)	28	Total taxable income. Add lines 25, 26, and 27; however, the total may not be less than line 27	28		
	29	Total tax (Schedule K, line 10)	29		
	30a	1995 overpayment credited to 1996	30a		
	b	Prior year(s) special estimated tax payments to be applied	30b		
	c	1996 estimated tax payments	30c		
	d	1996 special estimated tax payments (<i>Do not include on line 30f</i>)	30d		
	e	1996 refund applied for on Form 4466.	30e		
	g	Tax deposited with Form 7004	30g		
	h	Credit from regulated investment companies (attach Form 2439)	30h		
	i	Credit for Federal tax on fuels (attach Form 4136)	30i		
	j	U.S. income tax paid or withheld at source (attach Form 1042-S).	30j		
	30k				
	31	Estimated tax penalty. Check if Form 2220 is attached. ► ☐	31		
	32	TAX DUE. If line 30k is smaller than the total of lines 29 and 31, enter AMOUNT OWED.	32		
	33	OVERPAYMENT. If line 30k is larger than the total of lines 29 and 31, enter AMOUNT OVERPAID.	33		
	34	Enter amount of line 33 you want: Credited to 1997 estimated tax ► \$ Refunded ►	34		

**Please
Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Signature of officer

Date

Title

**Paid
Preparer's
Use Only**Preparer's
signature

Date

Check if self-
employed ☐

Preparer's social security no.

Firm's name (or
yours if self-employed)
and address

EIN ►

ZIP Code ►

SCHEDULE A Dividend Income and Dividends-Received Deduction (See page 9 of instructions.)

Dividends subject to proration		(a) Dividends received	(b) %	(c) Deduction (a) times (b)
1	Domestic corporations, less-than-20%-owned (other than debt-financed stock)	1	70	
2	Domestic corporations, 20%-or-more-owned (other than debt-financed stock)	2	80	
3	Debt-financed stock of domestic and foreign corporations	3	see instructions	
4	Public utility corporations, less-than-20%-owned	4	42	
5	Public utility corporations, 20%-or-more-owned	5	48	
6	Foreign corporations, less-than-20%-owned, and certain FSCs	6	70	
7	Foreign corporations, 20%-or-more-owned, and certain FSCs	7	80	
8	Wholly owned foreign subsidiaries (section 245(b))	8	100	
9	Certain affiliated company dividends	9	100	
10	Gross dividends-received deduction. Add lines 1 through 9	10		
11	Company share percentage (Schedule F, line 32)	11		
12	Prorated amount. Line 10 times line 11	12		
Dividends not subject to proration				
13	Affiliated company dividends	13	see instructions	
14	Other corporate dividends	14		
15	Total dividends. Add lines 1 through 14, column (a). Enter here and on Schedule B, line 2	15		
16	Total deductions. Add lines 12 and 13, column (c). Reduce the deduction as provided in section 805(a)(4)(D)(ii). Enter here and on page 1, line 20 and on Schedule J, Part I, line 2c	16		

SCHEDULE B Gross Investment Income (Section 812(d)) (See page 10 of instructions.)

1	Interest (excluding tax-exempt interest)	1		
2	Gross taxable dividends (Schedule A, line 15, column (a))	2		
3	Gross rents	3		
4	Gross royalties	4		
5	Leases, terminations, etc.	5		
6	Excess of net short-term capital gain over net long-term capital loss (Schedule D, line 11 (Form 1120))	6		
7	Gross income from trade or business other than insurance (attach schedule).	7		
8	Investment income. Add lines 1 through 7. Enter here and on page 1, line 5	8		
9	Tax-exempt interest. Enter here and on Schedule F, line 13, and Schedule J, Part I, line 2d	9		
10	Add lines 8 and 9	10		
11	100% qualifying dividends	11		
12	Gross investment income. Subtract line 11 from line 10. Enter here and on Schedule F, line 9	12		

SCHEDULE C Differential Earnings Amount (Mutual companies only) (Section 809) (See page 11 of instructions.)

		(a) End of preceding tax year	(b) End of this tax year
1	Annual statement surplus and capital	1	
2	Nonadmitted financial assets (attach schedule)	2	
3	Excess of statutory reserves over tax reserves on section 807(c) items	3	
4	Deficiency reserves	4	
5a	Asset valuation reserve	5a	
b	Interest maintenance reserve	5b	
6	Other voluntary reserves	6	
7	50% of the amount of any provision for policyholder dividends payable in the next tax year	7	
8a	Add lines 1 through 7	8a	
b	Adjustment for equity allocable to noncontiguous Western Hemisphere countries and other adjustments	8b	
c	Combine lines 8a and 8b, both columns	8c	
9	Total of line 8c, columns (a) and (b)	9	
10	Tentative average equity base—Enter 50% of line 9	10	
11	Other adjustments (attach schedule)	11	
12	Average equity base. Add lines 10 and 11	12	
13	Differential earnings amount (line 12 times the differential earnings rate). Enter here and on Schedule E, line 6	13	

SCHEDULE E Policyholder Dividends (Section 808) (See page 11 of instructions.)

1	Amounts paid or accrued	1		
2	Excess interest	2		
3	Premium adjustments	3		
4	Experience-rated refunds	4		
5	Add lines 1 through 4	5		
6	Differential earnings amount for mutual companies only (Schedule C, line 13)	6		
7	Deductible policyholder dividends. Subtract line 6 from line 5. If zero or less, enter -0-. Enter here and on page 1, line 13, and on Schedule F, line 18.	7		
8	Adjustment to reserves of mutual insurance company (excess of line 6 over line 5). Enter here and on Schedule F, line 36	8		
9	Deductible percentage. Divide line 7 by line 5	9		%

SCHEDULE F Increase (Decrease) in Reserves (Section 807) and Company/Policyholder Share Percentage (Section 812) (See page 11 of instructions.)

		(a) Beginning of tax year	(b) End of tax year
1	Life insurance reserves	1	
2	Unearned premiums and unpaid losses	2	
3	Supplementary contracts	3	
4	Dividend accumulations and other amounts	4	
5	Advance premiums	5	
6	Special contingency reserves	6	
7	Add lines 1 through 6	7	
8	Increase (decrease) in reserves under section 807. Subtract line 7, column (a) from line 7, column (b)	8	
9	Gross investment income (Schedule B, line 12)	9	
10a	Required interest on reserves under sections 807(c)(1), (3), (4), (5), and (6) (attach schedule)	10a	
b	Deductible excess interest (Schedule E, line 2, times Schedule E, line 9). Enter here and on line 19 below	10b	
c	Deductible amounts credited to employee pension funds	10c	
d	Deductible amounts credited to deferred annuities	10d	
e	Deductible interest on amounts left on deposit	10e	
f	Total policy interest. Add lines 10a through 10e. Enter here and on line 26 below	10f	
11	Subtract line 10f from line 9	11	
12	Life insurance company gross income (enter amount from page 1, line 9)	12	
13	Tax-exempt interest (Schedule B, line 9)	13	
14	Add lines 12 and 13	14	
15	Increase in reserves from line 8 above. (If a decrease in reserves, enter -0-.)	15	
16	Subtract line 15 from line 14	16	
17	Investment income ratio. Divide line 11 by line 16	17	
18	Deductible policyholder dividends (Schedule E, line 7)	18	
19	Deductible excess interest from line 10b above	19	
20	Deductible dividends on employee pension funds	20	
21	Deductible dividends on deferred annuities	21	
22	Deductible premium and mortality charges for contracts paying excess interest	22	
23	Add lines 19 through 22	23	
24	Subtract line 23 from line 18	24	
25	Investment portion of dividends. Line 17 times line 24	25	
26	Policy interest from line 10f above	26	
27	Policyholder share amount. Add lines 25 and 26	27	
28	Net investment income (see page 12 of instructions)	28	
29	Policyholder share amount from line 27 above	29	
30	Company share of net investment income. Subtract line 29 from line 28	30	
31	Total share percentage	31	100%
32	Company share percentage. Divide line 30 by line 28. Enter here and on Schedule A, line 11	32	%
33	Policyholders' share percentage. Subtract line 32 from line 31	33	%
34	Policyholders' share of tax-exempt interest. Multiply line 13 above by line 33	34	
35	Subtract line 34 from line 8	35	
36	Adjustment to reserves of mutual insurance company per section 809(a)(2) (Schedule E, line 8)	36	
37	Net increase (decrease) in reserves. Subtract line 36 from line 35. If an increase, enter here and on page 1, line 11. If a (decrease), enter here and on page 1, line 2	37	

SCHEDULE G Policy Acquisition Expenses (Section 848) (See page 12 of instructions.)

		(a) Annuity	(b) Group life insurance	(c) Other
1 Gross premiums and other consideration	1			
2 Return premiums and premiums and other consideration incurred for reinsurance	2			
3 Net premiums. Subtract line 2 from line 1	3			
4 Net premium percentage	4	1.75%	2.05%	7.7%
5 Multiply line 3 by line 4	5			
6 Add line 5, columns (a), (b), and (c), and enter here. If zero or less, enter -0- on lines 7 and 8	6			
7 Unused balance of negative capitalization amount from prior years	7			()
8 Combine lines 6 and 7. If zero or less, enter -0-	8			
9 General deductions (attach schedule)	9			
10 Enter the lesser of line 8 or line 9	10			
11 Deductible general deductions. Subtract line 10 from line 9. Enter here and include on page 1, line 19	11			
12 If the amount on line 6 is negative, enter it as a positive amount. If the amount on line 6 is positive, enter -0-	12			
13 Unamortized specified policy acquisition expenses from prior years deductible in the current year	13			
14 Deductible negative capitalization amount. Enter the lesser of line 12 or line 13	14			
15a Tentative 60 month specified policy acquisition expenses. Enter amount from line 10, but not more than \$5 million	15a			
b Limitation	15b		\$10,000,000	
16 Phase-out amount. Subtract line 15b from line 10. If zero or less, enter -0-	16			
17a Current year 60-month specified policy acquisition expenses. Subtract line 16 from line 15a. If zero or less, enter -0-	17a			
b Enter 10% of line 17a	17b			
18a Current year 120-month specified policy acquisition expenses. Subtract line 17a from line 10	18a			
b Enter 5% of line 18a	18b			
19 Enter the applicable amount of amortization from specified policy acquisition expenses capitalized in prior years and deductible this year. Attach schedule	19			
20 Deductible policy acquisition expenses. Add lines 14, 17b, 18b, and 19. Enter here and on page 1, line 17.	20			

SCHEDULE H

Small Life Insurance Company Deduction (Section 806(a))—If total assets (Schedule L, line 6, column (b)), are \$500 million or more, complete lines 8 through 12, line 16, and enter -0- on line 17. (See page 12 of instructions.)

Part I—Controlled Group Information

Company	Tentative LICTI	
	(a) Income	(b) (Loss)
1		
2		
3		
4		
5		
6 Add lines 1 through 5 in both columns		
7 Net controlled group tentative LICTI. Subtract line 6, column (b) from line 6, column (a). Enter here and on line 11 below		

Part II—Small Life Insurance Company Deduction

8 Gain or (loss) from operations from page 1, line 23	8			
9a Noninsurance income	9a			
b Noninsurance deductions	9b			
10a Gain or (loss) on insurance operations. Subtract line 9a from line 8 and add line 9b.	10a			
b Adjustments (attach schedule)	10b			
c Tentative LICTI. Combine lines 10a and 10b	10c			
11 Net controlled group tentative LICTI from line 7 above	11			
12 Combined tentative LICTI. Add line 10c and line 11. If \$15 million or more, skip lines 13 through 15 and enter -0- on line 17 below and on page 1, line 24	12			
13 Enter 60% of line 12, but not more than \$1,800,000	13			
14a Maximum statutory amount	14a	\$3,000,000		
b Subtract line 14a from line 12. If zero or less, enter -0-	14b			
c Enter 15% of line 14b, but not more than \$1,800,000	14c			
15 Tentative small life insurance company deduction. Subtract line 14c from line 13	15			
16 Taxpayer's share. Divide line 10c by the total of line 6, column (a) and line 10c. If line 10c is zero or less, enter -0- on this line	16			
17 Small life insurance company deduction. Multiply line 15 by line 16. Enter here and on page 1, line 24, and on Schedule J, Part I, line 2b	17			

SCHEDULE I Limitation on Noninsurance Losses (Section 806(b)(3)(C)) (See page 13 of instructions.)

1 Noninsurance income (attach schedule)	1		
2 Noninsurance deductions (attach schedule)	2		
3 Noninsurance operations loss deductions	3		
4 Add lines 2 and 3	4		
5 Noninsurance loss. Subtract line 1 from line 4. If line 1 is greater than line 4, skip lines 5 through 8 and enter -0- on line 9	5		
6 Enter 35% of line 5	6		
7 Enter 35% of the excess of LICTI (page 1, line 25) over any noninsurance loss included on page 1	7		
8 Enter the lesser of line 6 or line 7.	8		
9 Limitation on noninsurance losses. Subtract line 8 from line 5. Enter here and on page 1, line 26	9		

SCHEDULE J **Part I—Shareholders Surplus Account (Section 815(c))** (See page 13 of instructions.) **(Stock Companies Only)**

1a	Balance at the beginning of the tax year	1a		
b	Transfers under pre-1984 sections 815(d)(1) and (4) for the preceding year	1b		
c	Balance at the beginning of the tax year. Add lines 1a and 1b	1c		
2a	LICTI. Add lines 25 and 26, page 1. If zero or less, enter -0-	2a		
b	Small life insurance company deduction (Schedule H, line 17)	2b		
c	Dividends-received deduction (Schedule A, line 16, column (c))	2c		
d	Tax-exempt interest (Schedule B, line 9)	2d		
3	Add lines 1c through 2d	3		
4	Tax liability without regard to section 815. Figure the tax on line 2a as if it were total taxable income	4		
5	Subtract line 4 from line 3. If zero or less, enter -0-	5		
6	Direct or indirect distributions in the tax year but not more than line 5	6		
7	Balance at the end of the tax year. Subtract line 6 from line 5	7		

Part II—Policyholders Surplus Account (Section 815(d)) (See page 13 of instructions.) **(Stock Companies Only)**

8	Balance at the beginning of the tax year	8		
9a	Direct or indirect distributions in excess of the amount on line 5, Part I above	9a		
b	Tax increase on line 9a	9b		
c	Subtractions from account under pre-1984 sections 815(d)(1) and (4)	9c		
d	Tax increase on line 9c	9d		
e	Subtraction from account under pre-1984 section 815(d)(2)	9e		
10	Add lines 9a through 9e, but not more than line 8. Enter here and on page 1, line 27	10		
11	Balance at the end of the tax year. Subtract line 10 from line 8	11		

SCHEDULE K **Tax Computation** (See page 13 of instructions.)

1	Check if the corporation is a member of a controlled group (see sections 1561 and 1563). ☐			
Important: Members of a controlled group, see instructions on page 13.				
2	If the box on line 1 is checked:			
a	Enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income bracket amounts (in that order): (1) \$ (2) \$ (3) \$			
b	Enter the corporation's share of: (1) additional 5% tax (not more than \$11,750) . . . \$ (2) additional 3% tax (not more than \$100,000) . . . \$			
3	Income tax	3		
4a	Foreign tax credit (attach Form 1118)	4a		
b	Other credits	4b		
c	General business credit. Enter here and check which forms are attached: ☐ 3800 ☐ 3468 ☐ 5884 ☐ 6478 ☐ 6765 ☐ 8586 ☐ 8830 ☐ 8826 ☐ 8835 ☐ 8844 ☐ 8845 ☐ 8846 ☐ 8820 ☐ 8847	4c		
d	Credit for prior year minimum tax (attach Form 8827)	4d		
5	Total credits. Add lines 4a through 4d	5		
6	Subtract line 5 from line 3	6		
7	Foreign corporations—tax on income not effectively connected with U.S. business	7		
8	Recapture taxes. Check if from: ☐ Form 4255 ☐ Form 8611	8		
9	Alternative minimum tax (attach Form 4626)	9		
10	Total tax. Add lines 6 through 9. Enter here and on page 1, line 29	10		

SCHEDULE L **Part I—Total Assets (Section 806(a)(3)(C))** (See page 15 of instructions.)

	(a) Beginning of tax year		(b) Close of tax year	
1 Real property	1			
2 Stocks	2			
3 Proportionate share of partnership and trust assets	3			
4 Other assets (attach schedule)	4			
5 Total assets of controlled groups	5			
6 Total assets. Add lines 1 through 5	6			

SCHEDULE L **Part II—Total Assets and Total Insurance Liabilities (Section 842(b)(2)(B)(i))** (See page 15 of instructions.)

Line references below are to the "Assets" (lines 1 and 2) and "Liabilities, Surplus, and Other Funds" (lines 3 through 16) Sections of the NAIC Annual Statement.

	(a) Beginning of tax year		(b) Close of tax year	
1 Subtotals for assets (line 22)	1			
2 Total assets (line 24)	2			
3 Reserve for life policies and contracts (line 1)	3			
4 Reserve for accident and health policies (line 2)	4			
5 Supplementary contracts without life contingencies (line 3)	5			
6 Life policy and contract claims (line 4.1)	6			
7 Accident and health policy and contract claims (line 4.2)	7			
8 Policyholder's dividend and coupon accumulations (line 5)	8			
9 Premiums and annuity considerations received in advance less discount (line 9)	9			
10 Policyholder premiums (line 10.1)	10			
11 Guaranteed interest contracts (line 10.2)	11			
12 Other contract deposit funds (line 10.3)	12			
13 Surrender values on canceled policies (line 11.1)	13			
14 Part of other amounts payable on reinsurance assumed (line 11.3)	14			
15 Part of aggregate write-ins for liabilities (line 25). (Only include items or amounts includable in "total insurance liabilities on U.S. business" as defined in section 842(b)(2)(B)(i))	15			
16 Separate accounts statement (line 27)	16			
17 Total insurance liabilities. Add lines 3 through 16	17			

SCHEDULE M Other Information (See page 16 of instructions.)

		Yes	No			Yes	No
1	Check method of accounting: a ☐ Accrual b ☐ Other (specify)			If "Yes,"			
				a Enter percentage owned ▶			
2	Check if the corporation is a: a ☐ Legal reserve company—if checked: Kind of company: (1) ☐ Stock (2) ☐ Mutual Principal business: (1) ☐ Life insurance (2) ☐ Health and accident insurance b ☐ Fraternal or assessment association c ☐ Burial or other insurance company			b Enter owner's country ▶			
				c The corporation may have to file Form 5472. Enter number of Forms 5472 attached ▶			
3	Enter the percentage that the total of the corporation's life insurance reserves (section 816(b)) plus unearned premiums and unpaid losses (whether or not ascertained) on noncancelable life, health or accident policies not included in life insurance reserves bears to the corporation's total reserves (section 816(c)) %. Attach a schedule of the computation.			9 Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.)			
				If "Yes," attach Form 5471 for each such corporation. Enter number of Forms 5471 attached ▶			
4	Does the corporation have any variable annuity contracts outstanding?			10 At any time during the 1996 calendar year, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank, securities, or other financial account)? If "Yes," the corporation may have to file Form TD F 90-22.1.)			
				If "Yes," enter the name of the foreign country. ▶			
5	Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing (a) name and identifying number, (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.			11 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust?			
				If "Yes," see page 16 of the instructions for other forms the corporation may have to file.			
6	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter employer identification number and name of the parent corporation. ▶			12 Has the corporation elected to use its own payout pattern for discounting unpaid losses and unpaid loss adjustment expenses?			
				13 Does the corporation discount any of the loss reserves shown on its annual statement?			
7	Did any individual, partnership, corporation, estate, or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete a and b below			14a Enter the total unpaid losses shown on the corporation's annual statement: (1) For the current year: \$ (2) For the previous year: \$			
	a Attach a schedule showing name and identifying number. (Do not include any information already entered in 6 above.)			b Enter the total unpaid loss adjustment expenses shown on the corporation's annual statement: (1) For the current year: \$ (2) For the previous year: \$			
8	Did one foreign person at any time during the tax year own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation?			15 If the corporation has a loss from operations for the tax year and is electing under section 810(b)(3) to forego the carryback period, check here . ▶ ☐			
				16 Enter the available OLD carryover from prior tax years. (Do not reduce it by any deduction on page 1, line 21.) ▶ \$			

