

# U. S. Life Insurance Company Income Tax Return

# 1968

PLEASE TYPE OR PRINT

Name _____ Number and street _____ City or town, State, and ZIP code _____	a Employer identification number _____ b Date and place incorporated _____
<b>c Check if a—</b> <input type="checkbox"/> Legal reserve company—If so, check Type of company— <input type="checkbox"/> Stock <input type="checkbox"/> Mutual Principal business— <input type="checkbox"/> Life insurance <input type="checkbox"/> Health and accident insurance <input type="checkbox"/> Fraternal or assessment association <input type="checkbox"/> Burial or other insurance company (See Instruction A)	<b>d Do you have any variable annuity contracts outstanding?</b> Yes <input type="checkbox"/> No <input type="checkbox"/> <b>e Do you have any segregated asset accounts?</b> Yes <input type="checkbox"/> No <input type="checkbox"/> (If "Yes," see instruction P.) <b>f Were you a member of a controlled group subject to the provisions of section 1561? Yes <input type="checkbox"/> No <input type="checkbox"/> or section 1562? Yes <input type="checkbox"/> No <input type="checkbox"/></b> If yes, check type of relationship: (1) parent-subsidiary <input type="checkbox"/> ; (2) brother-sister <input type="checkbox"/> ; (3) combination of (1) and (2) <input type="checkbox"/> ; (see section 1563).
	<b>g Amount of total insurance liabilities. (See Instruction O.)</b> _____ <b>h State the percentage that the total of your life insurance reserves (Sec. 801 (b)), plus unearned premiums, and unpaid losses (whether or not ascertained), on noncancellable life, health, or accident policies not included in life insurance reserves: is to your total reserves (Sec. 801(c)). Attach schedule.</b> _____ %

### LIFE INSURANCE COMPANY TAXABLE INCOME

1 (a) Taxable investment income (Schedule C) . . . . .	
(b) Gain from operations (Schedule E) (If a loss, enter zero) . . . . .	
(c) The smaller of (a) or (b) . . . . .	
2 50 percent of the excess, if any, of 1(b) over 1(a) . . . . .	
3 Amount subtracted from policyholders surplus account (line 5, Schedule G) . . . . .	
4 Life insurance company taxable income (total lines 1(c), 2, and 3) . . . . .	

### COMPUTATION OF TAX DUE OR REFUND

5 Surtax exemption (line 4, \$25,000, or amount apportioned under section 1561, whichever is lesser) . . . . .	
6 Line 4 less line 5 . . . . .	
7 (a) 22 percent of line 4 . . . . .	
(b) 26 percent of line 6 . . . . .	
(c) If multiple surtax exemption is elected under section 1562, enter 6 percent of line 5 . . . . .	
8 Income tax: (a) Line 7 or line 29 of separate Schedule D, whichever is lesser . . . . .	
(b) Surcharge—Enter 10% of line 8(a) . . . . .	
9 Foreign tax credit (attach Form 1118) . . . . .	
10 Balance (line 8 less line 9) . . . . .	
11 Investment credit (attach Form 3468) . . . . .	
12 Balance of tax (line 10 less line 11) . . . . .	
13 Foreign Corporations—Tax on income not connected with U.S. business (see Tax Computation Instructions) . . . . .	
14 Total (add lines 12 and 13) . . . . .	
15 Tax from recomputing prior year investment credit (attach statement) . . . . .	
16 Total tax (line 14 plus line 15) . . . . .	
17 Credits: (a) Tax deposited—Form 7004 application for extension to file (attach copy) . . . . .	
(b) 1968 estimated tax payments (include 1967 overpayment allowed as a credit—do not include any "quick refund" of overpayment of 1968 estimated tax applied for on Form 4466) . . . . .	
(c) Credit from regulated investment companies (attach Form 2439) . . . . .	
(d) Other tax credits (see Tax Computation Instructions) . . . . .	
18 TAX DUE (line 16 less line 17). See instr. F for Tax Deposit System . . . . .	→
19 OVERPAYMENT (line 17 less line 16) . . . . .	→
20 Enter amount of line 19 you want: Credited on 1969 estimated tax _____ Refunded _____	

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. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.



\_\_\_\_\_ Date \_\_\_\_\_ Signature of officer \_\_\_\_\_ Title \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_ Individual or firm signature of preparer \_\_\_\_\_ Address \_\_\_\_\_

SCHEDULE A.—INVESTMENT YIELD (See instructions)

Table with 4 columns: 1. Interest, 2. Accrual of Discount, 3. Amortization of Premium, 4. Total. Rows include Gross Investment Income (Section 804(b)), Deductions (Section 804(c)), and INVESTMENT YIELD.

SCHEDULE B.—PART I—POLICY AND OTHER CONTRACT LIABILITY REQUIREMENTS (Sec. 805(a)) (See instructions)

Table with 3 columns for liability requirements. Rows include Adjusted life insurance reserves, Pension plan reserves, Interest paid, and Policy and other contract liability requirements.

PART II—ASSETS (Sec. 805(b)(4))

Table with 3 columns: 1. Beginning of Taxable Year, 2. End of Taxable Year, 3. Mean of Column 1 and Column 2\*. Rows include Real estate, Mortgages, Collateral loans, Policy loans, Corporate bonds, Stocks, Government obligations, Bank deposits, and Other assets.

\*Adjusted under Section 806(a) (attach schedule)

PART III—EARNINGS RATES (Sec. 805(b))

Table with 2 columns: Earnings rate and percentage. Rows include Current earnings rate, Earnings rate for first, second, third, and fourth preceding years, Total, and Average earnings rate.

PART IV—AVERAGE INTEREST RATE ASSUMED (Sec. 805(c)(2))

Table with 8 columns: 1. Nature of Reserve (Life, Annuity, Etc.), 2. Assumed Morbidity or Mortality Table, 3. Assumed Interest Rate, 4. Method of Computation (Illinois Standard, Etc.), 5. Amount of Reserve at Beginning of Taxable Year\*, 6. Amount of Reserve at End of Taxable Year\*, 7. Mean of Columns 5 and 6\*\*, 8. Column 3 times Column 7. Includes rows for 1-5 and a Totals row.

6 Average rate of interest assumed in computing life insurance reserves (total of column 8 divided by total of column 7) . . . %

PART V—PENSION PLAN RESERVES (Sec. 805(d))

Table with 8 columns (same as Part IV) for pension plan reserves. Rows include 1 805(d)(1)(A) reserves, 2 805(d)(1)(B) reserves, 3 805(d)(1)(C) reserves, 4 805(d)(1)(D) reserves, and 5 Totals.

\*See Instructions for 806(b) and 818(c) adjustments.

\*\*Adjusted under 806(a) (attach schedule).

PART VI—ADJUSTED LIFE INSURANCE RESERVES (Sec. 805(c)(1))

Table for adjusted life insurance reserves. Rows include: 1 Mean of the reserves (col. 7, line 5, Part IV), 2 (a) Multiplied by that percentage which equals, (b) Increased by 10 times the average rate of interest assumed, (c) Total, (d) Reduced by 10 times the adjusted reserves rate, (e) Line (c) less line (d), 3 Adjusted life insurance reserves. Includes a percentage box for line 2(a) and a % sign for line 2(e).

PART VII—INTEREST PAID (Sec. 805(e))

Table for interest paid. Rows include: 1 Interest on indebtedness, 2 Amounts in the nature of interest, 3 Discount on prepaid premiums, 4 Total interest paid (lines 1-3).

SCHEDULE C.—TAXABLE INVESTMENT INCOME (See instructions)

Table for taxable investment income. Rows include: 1 Policyholders' share (Sec. 804) (line 6, Part I, Schedule B, divided by line 15, Schedule A) but not to exceed 100%, 2 Company's share, 3 Total, 4 Interest wholly tax-exempt (line 1(a), col. 4, Schedule A, see inst.), 5 (a) Dividends from line 2(a), Schedule A, (b) Dividends from line 2(b), Schedule A, (c) Dividends from line 2(c), Schedule A, (d) Dividends from line 2(d), Schedule A, (e) Dividends from line 2(e), Schedule A, 6 Other items of investment yield (line 15, Schedule A, less 4-5 above), 7 Net long-term capital gain from line 16, separate Schedule D, 8 Total (lines 4-7), REDUCTIONS, 9 Interest wholly tax-exempt (line 4, column 3), 10 Dividends-received deduction (Affiliated groups—see instructions): (a) 85% of dividends from line 5(a), column 3, (b) 62.462% of dividends from line 5(b), column 3, (c) 85% of dividends from line 5(c), column 3, (d) Total, but not to exceed 85% of taxable investment income (line 13) computed without regard to this deduction, 11 Small business deduction (10% of line 15, Schedule A, not to exceed \$25,000), 12 Total (lines 9, 10(d), and 11), 13 Taxable investment income (line 8 less line 12, but not less than zero).

**SCHEDULE E.—GAIN AND LOSS FROM OPERATIONS (See instructions)**

<b>1</b> Policyholders' share (Sec. 809) (line 5, Schedule E-1, divided by line 15, Schedule A), but not to exceed 100%	%
<b>2</b> Company's share	%
<b>3</b> Total	<b>100%</b>

1. Total	2. Exclusion Policyholders' share (line 1 times col. 1)	3. Company's share (col. 1 less col. 2)
<b>4</b> Interest wholly tax-exempt (line 1(a), col. 4, Schedule A, see inst.)		
<b>5</b> (a) Dividends from line 2(a), Schedule A		
(b) Dividends from line 2(b), Schedule A		
(c) Dividends from line 2(c), Schedule A		
(d) Dividends from line 2(d), Schedule A		
(e) Dividends from line 2(e), Schedule A		
<b>6</b> Other items of investment yield (line 15, Schedule A, less 4-5 above)		
<b>7</b> Total (lines 4-6)		
<b>8</b> Net long-term capital gain from line 16, separate Schedule D.		
<b>9</b> Gross premiums Less: Return premiums, etc.		
<b>10</b> (a) Decrease in reserves (after adjustment under 810(a)) (attach schedule)		
(b) Decrease in 811(b)(2) reserves (See line 3, Part II, Schedule E-2)		
<b>11</b> Other amounts (attach schedule)		
<b>12</b> Total (lines 7-11)		

**DEDUCTIONS**

<b>13</b> Death benefits, etc.	
<b>14</b> Increase in reserves (after reduction for investment yield under 810(b)) (attach schedule)	
<b>15</b> Assumption by another person of liabilities under insurance, etc., contracts	
<b>16</b> Interest wholly tax-exempt (line 4, column 3)	
<b>17</b> Investment expenses, etc., not deducted on Schedule A (attach schedule)	
<b>18</b> Small business deduction (10% of line 15, Schedule A, not to exceed \$25,000)	
<b>19</b> Other deductions not deducted on Schedule A (attach schedule)	
<b>20</b> Total (lines 13-19)	
<b>21</b> Dividends-received deduction (Affiliated groups—see instructions):	
(a) 85% of dividends from line 5(a), column 3	
(b) 62.462% of dividends from line 5(b), column 3	
(c) 85% of dividends from line 5(c), column 3	
(d) Total, but not to exceed 85% of the excess, if any, of line 12 over line 20	
<b>22</b> Operations loss deduction (attach schedule)	
<b>23</b> Tentative deduction (lines 20-22)	
<b>24</b> Plus: (a) Dividends to policyholders (line 7, Part I, Schedule E-2)	
(b) Accident and health, and group life insurance (line 9, Part I, Schedule E-2)	
(c) Certain nonparticipating contracts (line 11, Part I, Schedule E-2)	
<b>25</b> Total deductions (line 23 plus line 24)	
<b>26</b> Gain (loss) from operations (line 12 less line 25)	

**SCHEDULE E-1.—REQUIRED INTEREST (Sec. 809(a)(2))**

	1. Rate	2. Beginning of Taxable Year	3. End of Taxable Year	4. Mean of Columns 2 and 3	5. Column 1 times column 4
<b>1</b> 810(c)(1) Reserves (from line 5, column 8, Parts IV and V, Schedule B)					
<b>2</b> 810(c)(3) Reserves					
<b>3</b> 810(c)(4) Reserves					
<b>4</b> 810(c)(5) Reserves					
<b>5</b> Required interest (Total, lines 1-4)					

**SCHEDULE E-2.—PART I—LIMITATION ON LINE 24, SCHEDULE E, DEDUCTION (Sec. 809(f))**

<b>1</b> Statutory amount	250,000
<b>2</b> (a) From line 12, Schedule E	
(b) Less: Tentative deduction, line 23, Schedule E	
<b>3</b> Gain from operations without regard to line 24, Schedule E	
<b>4</b> Less: Taxable investment income (line 13, Schedule C)	
<b>5</b> Excess of line 3 over line 4 (but not less than zero)	
<b>6</b> Maximum possible deduction for line 24, Schedule E (line 1 plus line 5)	
<b>7</b> Deduction for dividends to policyholders (Part II) (not in excess of line 6)	
<b>8</b> Maximum deduction for accident and health, and group life insurance (line 6 less line 7)	
<b>9</b> Deduction for accident and health, and group life insurance (Part III) (not in excess of line 8)	
<b>10</b> Maximum deduction for certain nonparticipating contracts (line 8 less line 9)	
<b>11</b> Deduction for certain nonparticipating contracts (Part IV) (not in excess of line 10)	

**PART II—DIVIDENDS TO POLICYHOLDERS (Sec. 809(d)(3))**

1	Dividends paid to policyholders		
2 (a)	Increased by the excess of (1) over (2):		
	(1) Reserve as of the end of the taxable year		
	(2) Reserve as of the end of the preceding taxable year		
	OR		
(b)	Decreased by the excess of (1) over (2):		
	(1) Reserve as of the end of the preceding taxable year		
	(2) Reserve as of the end of the taxable year		
3	If positive, enter on line 7, Schedule E-2; if negative, enter on line 10(b), Schedule E		

**PART III—CERTAIN ACCIDENT AND HEALTH INSURANCE AND GROUP LIFE INSURANCE (Sec. 809(d)(6))**

1	Amount of deductions allowed or allowable in prior years under section 809(d)(6)	
2	Net premiums	
3	Line 2 multiplied by 2%	
4	Tentative deduction—the lesser of line 3 or (50% of line 2, less the total amount on line 1)	

**PART IV—CERTAIN NONPARTICIPATING CONTRACTS (Sec. 809(d)(5))**

1 (a)	Reserve at the end of the taxable year		
(b)	Reserve at the beginning of the taxable year		
(c)	Increase (if the difference is negative, enter "0")		
(d)	Multiplied by	10%	
2 (a)	Net premiums		
(b)	Multiplied by	3%	
3	Tentative deduction—the greater of line 1 or line 2		

**SCHEDULE F.—SHAREHOLDERS SURPLUS ACCOUNT (Sec. 815(b))**

1 (a)	Balance as of the end of the preceding year	
(b)	Transfers under 815(d)(1) and (4) for preceding year	
(c)	Balance as of the beginning of the taxable year (line 1(a) plus line 1(b))	
2	Life insurance company taxable income computed without regard to section 802(b)(3) (line 4 less line 3, page 1)	
3	Net long-term capital gain in excess of net short-term capital loss, reduced by income, if any, on line 2	
4	Dividends-received deduction (Affiliated groups—see instructions):	
(a)	85% of dividends received from line 2(a), Schedule A	
(b)	62.462% of dividends received from line 2(b), Schedule A	
(c)	85% of dividends received from line 2(c), Schedule A	
(d)	Total, but not to exceed 85% of line 12 less line 20, Schedule E	
5	Interest wholly exempt from tax (line 1(a), column 4, Schedule A)	
6	Small business deduction (line 18, Schedule E)	
7	Total (lines 1-6)	
8	Less: Tax liability for 1968 under 802(a) (computed without regard to 802(b)(3))	
9	Excess of line 7 over line 8	
10	Less: Distributions in 1968 (not to exceed line 9)	
11	Balance as of the end of the taxable year (line 9 less line 10)	

**SCHEDULE G.—POLICYHOLDERS SURPLUS ACCOUNT (Sec. 815(c))**

1	Balance as of the beginning of the taxable year	
2	Add: (a) 50 percent of the excess, if any, of the gain from operations over the taxable investment income (line 2, page 1)	
	(b) The deduction for certain nonparticipating contracts (line 24(c), Schedule E)	
	(c) The deduction for accident and health, and group life insurance (line 24(b), Schedule E)	
3	Total (line 1 plus line 2)	
4	Less: (a) Actual distributions only in excess of line 9, Schedule F	
	(b) Tax increase on 4(a) by reason of 802(b)(3)	
	(c) Subtractions under 815(d)(1) and (4) (see instructions)	
	(d) Tax increase on 4(c) by reason of 802(b)(3)	
	(e) Subtraction required under 815(d)(2) due to termination	
5	Total of lines 4(a)-(e) (not to exceed line 3) (enter here and on line 3, page 1)	
6	Balance as of the end of the year (line 3 less line 5)	

SCHEDULE H.—LIMITATION OF INVESTMENT EXPENSE DEDUCTION

(Schedule H need not be filled in if no deduction is claimed for any general expenses that are allocated to investment income.)

1 Mean of the assets for the taxable year (line 10, column 3, Part II, Schedule B)
2 One-fourth of 1% of the mean of the assets (line 1)
3 Mortgage service fees
4 The greater of (a) or (b):
(a) (i) Investment yield computed without regard to investment expenses
(ii) Three and three-fourths percent of line 1
(iii) Excess (line (i) over line (ii))
(iv) One-fourth of line (iii)
(v) Reduced by mortgage service fees (line 3)
(vi) Line (iv) less line (v)
(b) One-fourth of 1% of the amount on line 2(a), column 3, Part II, Schedule B
5 Limit on deduction for investment expenses (total lines 2-4).

SCHEDULE J.—COMPENSATION OF OFFICERS (See instructions, page 6)

Table with 8 columns: 1. Name of officer, 2. Social security number, 3. Title, 4. Time devoted to business, 5. Common, 6. Preferred, 7. Amount of compensation, 8. Expense account allowances.

SCHEDULE K.—DEPRECIATION (See instruction 11, page 2)

Taxpayers using Revenue Procedures 62-21 and 65-13: Make no entry in column 2, enter the cost or other basis of assets held at end of year in column 3, and enter the accumulated depreciation at end of year in column 4.

Table with 7 columns: 1. Group and guideline class or description of property, 2. Date acquired, 3. Cost or other basis, 4. Depreciation allowed or allowable in prior years, 5. Method of computing depreciation, 6. Life or rate, 7. Depreciation for this year.

i (1) Did you at the end of the taxable year own directly or indirectly 50 percent or more of the voting stock of a domestic corporation?
(2) Did any corporation, individual, partnership, trust, or association at the end of the taxable year own directly or indirectly 50 percent or more of your voting stock?
k Does a copy of the annual statement accompany this return?
l Did you claim a deduction for expenses connected with:
(1) Entertainment facility (boat, resort, ranch, etc.)
(2) Living accommodations (except employees on business)
(3) Employees' families at conventions or meetings
(4) Employee or family vacations not reported on Form W-2
m Were you liable for filing Forms 1096 and 1099 or 1087 for the calendar year 1968?
n Were you a U.S. shareholder of any controlled foreign corporation?