

U.S. Life Insurance Company Income Tax Return

Please type or print	Name <hr/> Number and street <hr/> City or town, State, and ZIP code <hr/>	A Employer identification number <hr/> B Date and place incorporated <hr/>
C Check if a— <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		E Do you have any segregated asset accounts? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," see instruction P. <hr/> F Were you a member of a controlled group subject to the provisions of Section 1561? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer was "Yes," check type of relationship: (a) Parent-subsidiary <input type="checkbox"/> (b) Brother-sister <input type="checkbox"/> (c) Combination of (a) and (b) <input type="checkbox"/> (See section 1563)
D Do you have any variable annuity contracts outstanding? <input type="checkbox"/> Yes <input type="checkbox"/> No		
G Amount of total insurance liabilities. (See instruction O.) <hr/> H Enter 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.		

	TAXABLE INCOME			TAX COMPUTATION	
	1 (a) Taxable investment income (Schedule C)	1(a)			
	(b) Gain from operations (Schedule E) (If a loss, enter zero)	1(b)			
	(c) The smaller of (a) or (b)		1(c)		
	2 50% of any excess of 1(b) over 1(a)			2	
	3 Amount subtracted from policyholders' surplus account (line 5, Schedule G)			3	
	4 Life insurance company taxable income (total of lines 1(c), 2, and 3)			4	
	5 Enter line 4 or \$25,000, whichever is lesser (members of a controlled group, see instructions)			5	
	6 Line 4 less line 5			6	
	7 Enter line 6 or \$25,000, whichever is lesser (members of a controlled group, see instructions)			7	
	8 Line 6 less line 7			8	
	9 20% of line 5			9	
	10 22% of line 7			10	
	11 48% of line 8			11	
	12 Total of lines 9, 10, and 11			12	
	13 Income tax—the lesser of line 12 (above) or line 26 of Schedule D (Form 1120L)			13	
	14 Less: (a) Foreign tax credit (attach Form 1118)	14(a)			
	(b) Investment credit (attach Form 3468)	14(b)			
	(c) Work incentive (WIN) credit (attach Form 4874)	14(c)			
	(d) New jobs credit (attach Form 5884)	14(d)			
	15 Total of lines 14(a), (b), (c), and (d)			15	
	16 Balance of tax (line 13 less line 15)			16	
	17 Foreign corporations—tax on income not connected with U.S. business (see Tax Computation Instructions)			17	
	18 Tax from recomputing a prior year investment credit (attach Form 4255)			18	
	19 Tax from recomputing a prior year WIN credit (see instructions—attach computation)			19	
	20 Minimum tax on tax preference items (see instructions—attach Form 4626)			20	
	21 Total tax (add lines 16 through 20)			21	
	22 Credits: (a) Overpayment from 1976 allowed as a credit	22(a)			
	(b) 1977 estimated tax payments	22(b)			
	(c) Less refund of 1977 estimated tax applied for on Form 4466	22(c)	()		
	(d) Tax deposited with Form 7004 (attach copy)	22(d)			
	(e) Tax deposited with Form 7005 (attach copy)	22(e)			
	(f) Credit from regulated investment companies (attach Form 2439)	22(f)			
	(g) U.S. tax on special fuels, nonhighway gas and lubricating oil (attach Form 4136)	22(g)			
	(h) U.S. income tax paid or withheld at source	22(h)			
	23 TAX DUE (line 21 less line 22). See instruction F for depository method of payment			23	
	24 OVERPAYMENT (line 22 less line 21)			24	
	25 Enter amount of line 24 you want: Credited to 1978 estimated tax ▶		Refunded ▶	25	

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	Paid preparer's signature and identifying number (see instructions)
Title		Paid preparer's address (or employer's name, address, and identifying number)

PART IV—AVERAGE INTEREST RATE ASSUMED (Section 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 Standards, etc.), 5. Amount of reserve at beginning of taxable year, 6. Amount of reserve at end of taxable year, 7. Mean of column 5 and 6, 8. Column 3 times column 7. Includes rows for 1-4, 5 Totals, and 6 Average rate of interest assumed.

*See instructions for section 806(b) and section 818(c) adjustments. **Adjusted under section 806(a) (attach schedule).

PART V—PENSION PLAN RESERVES (Section 805(d))

Table with 8 columns (same as Part IV) and 5 rows: 1 Section 805(d)(1) reserves, 2 Section 805(d)(2) reserves, 3 Section 805(d)(3) reserves, 4 Section 805(d)(4) reserves, 5 Section 805(d)(5) reserves, 6 Totals.

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

Table with 2 main columns. Row 1: Mean of the reserves (column 7, line 5, Part IV). Row 2: (a) 100%, (b) Plus 10 times the average rate of interest assumed (line 6, Part IV), (c) Total (add lines 2(a) and 2(b)), (d) 10 times the adjusted reserves rate (line 2, Part I), (e) Line (c) less line (d). Row 3: 3 Adjusted life insurance reserves (line 1 multiplied by line 2(e)). Enter here and on line 1, Part I, Schedule B.

PART VII—INTEREST PAID (Section 805(e))

Table with 2 main columns and 5 rows: 1 Interest on indebtedness, 2 Amounts in the nature of interest, 3 Discount on prepaid premiums, 4 Interest on certain special contingency reserves, 5 Total interest paid (add lines 1 through 4). Enter here and on line 5, Part I, Schedule B.

Schedule C TAXABLE INVESTMENT INCOME (See instructions)

Table with 3 main columns: 1. Total, 2. Exclusion—policyholders' share (line 1 times col. 1), 3. Company's share (col. 1 less col. 2). Rows include: 1 Policyholder's share (section 804) (line 6, Part I, Schedule B, divided by line 15, Schedule A) but not to exceed 100%; 2 Company's share; 3 Total (100%); 4 Interest wholly tax-exempt (line 1(a), col. 4, Schedule A—see instructions); 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; (f) Dividends from line 2(f), Schedule A; 6 Other items of investment yield (line 15, Schedule A, less lines 4 and 5 above); 7 Net capital gain (line 11, Schedule D (Form 1120L)); 8 Totals (add lines 4 through 7).

REDUCTIONS

Table with 2 main columns and 6 rows: 9 Interest wholly tax-exempt (line 4, column 3); 10 Dividends-received deduction (affiliated groups—see instructions): (a) 85% of line 5(a), column 3; (b) 60.208% of line 5(b), column 3; (c) 85% of 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; members of a controlled group, see instructions); 12 Total (add lines 9, 10(d), and 11); 13 Taxable investment income (line 8 less line 12, but not less than zero). Enter here and on line 1(a), page 1.

PART II—DIVIDENDS TO POLICYHOLDERS (Section 809(d)(3))

1 Dividends paid to policyholders		
2 (a) Increased by the excess of (i) over (ii):		
(i) Reserve at the end of the taxable year		
(ii) Reserve at the end of the preceding taxable year		
OR		
(b) Decreased by the excess of (i) over (ii):		
(i) Reserve at the end of the preceding taxable year		
(ii) Reserve at 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 (Section 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 amount on line 1)	

PART IV—CERTAIN NONPARTICIPATING CONTRACTS (Section 809(d)(5))

1 (a) Reserve at the end of the taxable year		
(b) Less: Reserve at the beginning of the taxable year		
(c) Increase (if the difference is negative, enter zero)		
(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 SHAREHOLDER'S SURPLUS ACCOUNT (Section 815(b))

1 (a) Balance at the end of the preceding year	
(b) Transfers under section 815(d)(1) and (4) for preceding year	
(c) Balance at 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 1(c), page 1, plus line 2, page 1)	
3 Net capital gain income reduced by any income on line 2	
4 Dividends-received deduction (affiliated groups—see instructions):	
(a) 85% of line 2(a), Schedule A	
(b) 60.208% of line 2(b), Schedule A	
(c) 85% of 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 11, Schedule C)	
7 Total (add lines 1 through 6)	
8 Less: Tax liability for 1977 under section 802(a) (computed without regard to section 802(b)(3)) (income tax computed on line 2 as if line 2 was total life insurance company taxable income)	
9 Excess of line 7 over line 8	
10 Less: Distributions in 1977 (not to exceed line 9)	
11 Balance as of the end of the taxable year	

Schedule G POLICYHOLDER'S SURPLUS ACCOUNT (Section 815(c))

1 Balance as of the beginning of the taxable year	
2 Add: (a) 50% of any excess 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 (a) Actual distributions only in excess of line 9, Schedule F	
(b) Tax increase on line 4(a) by reason of section 802(b)(3)	
(c) Subtractions under section 815(d)(1) and (4) (see instructions)	
(d) Tax increase on line 4(c) by reason of section 802(b)(3)	
(e) Subtraction required under section 815(d)(2) due to termination	
5 Total of lines 4(a) through (e) (not to exceed line 3). Enter here and on line 3, page 1	
6 Balance at the end of the year (line 3 less line 5)	

Schedule H **LIMITATION OF INVESTMENT EXPENSE DEDUCTION**

(You need not fill in Schedule H unless you claim a deduction for general expenses 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 (a) (i) Investment yield computed without regard to investment expenses	
(ii) Three and three-fourths percent of line 1	
(iii) Line (i) less line (ii)	
(iv) One-fourth of line (iii)	
(v) 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	
(c) The greater of (a)(vi) or (b)	
5 Limit on deduction for investment expenses (add lines 2 through 4)	

Schedule J **COMPENSATION OF OFFICERS (See instructions, page 8)**

1. Name of officer	2. Social security number	3. Time devoted to business	Percent of corporation stock owned		6. Amount of compensation	7. Expense account allowance
			4. Common	5. Preferred		

I (1) Did you at the end of the taxable 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, address, and identifying number; (b) percentage owned; and (c) taxable income or (loss) from line 28, page 1, Form 1120 of such corporation for the taxable year ending with or within your taxable year. (2) Did any individual, partnership, corporation, estate, or trust at the end of the taxable year own, directly or indirectly, 50% or more of your voting stock (for rules of attribution, see section 267(c))? If "Yes": (a) Attach a schedule showing name, address, and identifying number. (b) Enter percentage owned ▶ (c) Was the owner of such voting stock a person other than a U.S. person? If "Yes," enter owner's country (see instruction R) ▶ J Did you previously file a copy of the annual statement for the preceding years as required by General Instruction K? If "Yes," name the Internal Revenue Service Center in which filed ▶ K Does a copy of the 1977 annual statement accompany this return? If "No," explain why the statement is not attached .	Yes	No	L Did you claim a deduction for expenses connected with: (1) Entertainment facility (boat, resort, ranch, etc.)? (2) Living accommodations (except for employees on business)? (3) Employees' families at convention or meetings? (4) Employee or family vacations not reported on Form W-2? Total amount of deduction(s) on Form 1120L that are claimed under section 274 (Entertainment, gifts, etc.) ▶ M Did you file all required Forms 1087, 1096, and 1099? N Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957) If "Yes," attach Form 3646 for each such corporation. O Enter the number of defined benefit and defined contribution plans you have for your employees (see instruction I) ▶ P Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution)? If "Yes," see Instruction T Q Were you the grantor of, or transferor to, a foreign trust during any taxable year, which foreign trust was in being during the current taxable year, whether or not you have any beneficial interest in such trust? If "Yes," you may be required to file Forms 3520, 3520A, or 926	Yes	No