

U.S. Life Insurance Company Income Tax Return

Please type or print	Name	A Employer identification number
	Number and street	B Date and place incorporated
	City or town, State, and ZIP code	

C Check if a— Legal reserve company—If so, check
 Type of company— Stock Mutual
 Principal business— Life insurance
 Health and accident insurance
 Fraternal or assessment association
 Burial or other insurance company

D Were you a member of a controlled group subject to the provisions of Section 1561? Yes No
 If answer was "Yes," check type of relationship:
 (a) Parent-subsidiary
 (b) Brother-sister
 (c) Combination of (a) and (b)
 (See section 1563)

E 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	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 (Schedule G, line 5)		3		
4 Life insurance company taxable income (total of lines 1(c), 2, and 3)		4		

TAX COMPUTATION	5 Enter line 4 or \$25,000, whichever is less (members of a controlled group, see instructions)	5		
	6 Line 4 less line 5	6		
	7 Enter line 6 or \$25,000, whichever is less (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			

TAX	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 1977 allowed as a credit	22(a)		
	(b) 1978 estimated tax payments	22(b)		
	(c) Less refund of 1978 estimated tax applied for on Form 4466	22(c)		
(d) Tax deposited with Form 7004	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 1979 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	Title	
Paid Preparer's Information	Preparer's signature ▶	Preparer's social security no.	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours, if self-employed), address and ZIP code ▶	E.I. No. ▶	Date ▶

Schedule A INVESTMENT YIELD (See instructions)

Table with columns: 1. Interest, 2. Accrual of discount, 3. Amortization of premium, 4. Total (for line 1: column 1 plus column 2 less column 3). Rows include Interest (Wholly exempt, U.S. obligations, Loans, notes, mortgages, bank deposits, bonds, debentures, etc.), Dividends (Domestic corporations, Certain preferred stock, Foreign corporations, Qualifying dividends, Other), Gross rents, Gross royalties, Leases, terminations, etc., Net short-term capital gain, Gross income from trade or business, Gross investment income, Investment expenses, Real estate expenses, Depreciation, Depletion, Trade or business deductions, Total deductions, and Investment Yield.

Schedule B PART I—POLICY AND OTHER CONTRACT LIABILITY REQUIREMENTS (Section 805(a)) (See instructions)

Table with 2 columns: Description and Percentage (%). Rows include Adjusted life insurance reserves, Multiplied by the adjusted reserves rate, Pension plan reserves, Multiplied by the current earnings rate, Interest paid, and Policy and other contract liability requirements.

PART II—ASSETS (Section 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 (Without service fees, With service fees), Collateral loans, Policy loans, Corporate bonds, Stocks, Government obligations, Bank deposits, cash, etc., Other assets, and Totals.

*Adjusted under section 806(a) (see instructions—attach schedule)

PART III—EARNINGS RATES (Section 805(b))

Table with 2 columns: Description and Percentage (%). Rows include Current earnings rate, Earnings rate for first preceding year, Earnings rate for second preceding year, Earnings rate for third preceding year, Earnings rate for fourth preceding year, Total (add lines 1 through 5), and Average earnings rate.

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

Table with 8 columns: 1. Nature of reserve, 2. Assumed morbidity or mortality table, 3. Assumed interest rate, 4. Method of computation, 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 1-4 and a Totals row.

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

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

Table with 2 main columns. 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).

Schedule C TAXABLE INVESTMENT INCOME (See instructions)

Table with 2 main columns. Rows: 1 Policyholder's share (section 804) (Schedule B, Part I, line 6 divided by Schedule A, line 15) but not to exceed 100%, 2 Company's share, 3 Total (100%).

Table with 3 columns: 1. Total, 2. Exclusion—policyholders' share (line 1 times col. 1), 3. Company's share (col. 1 less col. 2). Rows: 4 Interest wholly tax-exempt (Schedule A, line 1(a), column 4—see instructions), 5 (a) Dividends from Schedule A, line 2(a), (b) Dividends from Schedule A, line 2(b), (c) Dividends from Schedule A, line 2(c), (d) Dividends from Schedule A, line 2(d), (e) Dividends from Schedule A, line 2(e), 6 Other items of investment yield (Schedule A, line 15 less lines 4 and 5 above), 7 Net capital gain (Schedule D (Form 1120L), line 11), 8 Totals (add lines 4 through 7).

REDUCTIONS

Table with 2 main columns. 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.

Table with 3 columns: Description, 1. Total, 2. Exclusion—policyholder's share (line 1 times column 1), 3. Company's share (column 1 less column 2). Rows include Policyholder's share, Company's share, Total, Interest wholly tax-exempt, Dividends from Schedule A, Other items of investment yield, Totals, Net capital gain, Gross premiums, Decrease in reserves, and Other amounts.

DEDUCTIONS

Table with 3 columns: Description, 1. Total, 2. Exclusion—policyholder's share (line 1 times column 1), 3. Company's share (column 1 less column 2). Rows include Death benefits, Increase in reserves, Assumption by another person of liabilities, Interest wholly tax-exempt, Investment expenses, Small business deduction, Other deductions, Total (lines 13-19), Dividends-received deduction, Operations loss deduction, Tentative deduction, Plus: Dividends to policyholders, Accident and health, and group life insurance, Certain nonparticipating contracts, Total deductions, and Gain or (loss) from operations.

Schedule E-1 REQUIRED INTEREST (Section 809(a)(2))

Table with 5 columns: Description, 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. Rows include Sec. 810(c)(1) reserves, Sec. 810(c)(3) reserves, Sec. 810(c)(4) reserves, Sec. 810(c)(5) reserves, Sec. 810(c)(6) reserves, and Required interest.

Schedule E-2 PART I—LIMITATION ON DEDUCTION (SCHEDULE E, LINE 24) (Section 809(f))

Table with 3 columns: Description, 1. Total, 2. Exclusion—policyholder's share (line 1 times column 1), 3. Company's share (column 1 less column 2). Rows include Statutory amount, Schedule E, line 24, Less: Tentative deduction, Gain from operations, Less: Taxable investment income, Excess of line 3 over line 4, Maximum possible deduction, Deduction for dividends to policyholders, Maximum deduction for accident and health, Deduction for accident and health, Maximum deduction for certain nonparticipating contracts, and Deduction for certain nonparticipating contracts.

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 greater than zero, enter on Schedule E-2, line 7; if less than zero, enter on Schedule E, line 10(b)		

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 less than zero, 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 Schedule A, line 2(a)		
(b) 60.208% of Schedule A, line 2(b)		
(c) 85% of Schedule A, line 2(c)		
(d) Total, but not more than 85% of line 20 subtracted from Schedule E, line 12		
5 Interest wholly exempt from tax (Schedule A, line 1(a), column 4)		
6 Small business deduction (Schedule C, line 11)		
7 Total (add lines 1 through 6)		
8 Less: Tax liability for 1978 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 1978 (not greater than 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 (page 1, line 2)		
(b) The deduction for certain nonparticipating contracts (Schedule E, line 24(c))		
(c) The deduction for accident and health, and group life insurance (Schedule E, line 24(b))		
3 Total (line 1 plus line 2)		
4 (a) Actual distributions only in excess of Schedule F, line 9		
(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 page 1, line 3		
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 (Schedule B, Part II, line 10, column 3)	
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 Schedule B, Part II, line 2(a), column 3	
(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 7)**

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		

Additional Information Required

	Yes	No		Yes	No
F Do you have any variable annuity contracts outstanding?			K Does a copy of the 1978 annual statement accompany this return? If "No," explain why the statement is not attached		
G Do you have any segregated asset accounts? If "Yes," see instruction P.			L (1) Did you claim a deduction for expenses connected with: (a) Entertainment facility (boat, resort, ranch, etc.)?		
H Amount of total insurance-liabilities (see Schedule K) ▶			(b) Living accommodation (except for employees on business)?		
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.			(c) Employee's families at conventions or meetings? If "Yes," were any of these conventions or meetings outside the United States or its possessions?		
(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 ▶			(d) Employee or family vacations not reported on Form W-2?		
(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) ▶			(2) Enter total amount claimed on Form 1120L for entertainment, entertainment facilities, gifts, travel, and conventions of the type for which substantiation is required under section 274(d). (see instruction W) ▶		
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 ▶			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 an interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (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		

Schedule K ASSETS (Section 805(b)(4)) AND TOTAL INSURANCE LIABILITIES (Section 819(a)) (See instructions)

Assets—section 805(b)(4) (Schedule B, Part II, line 10, column 2) ▶			General account	Separate account	
Line	1. Section	2. NAIC* page 3	3. Description of item	4. General account	5. Separate account
			Liabilities:		
1	801(c)(1)	Line 1	Reserve for life policies and contracts Subtract: Deficiency reserves		
2	801(c)(2)	Line 2	Reserve for accident and health policies Subtract: Reserves for rate credits		
3	810(c)(3)	Line 3	Supplementary contracts without life contingencies		
4	810(c)(3)	Line 4.1	Policy and contract claims, life Subtract: Resisted life claims		
5	810(c)(3)	Line 4.2	Policy and contract claims, accident and health		
6	810(c)(4)	Line 5	Policyholders' dividend and coupon accumulations		
7	810(c)(5)	Line 9	Premiums and annuity considerations received in advance Subtract: Discount		
8	810(c)(5)	Line 10	Liability for premium deposits and other funds		
			Other:		
			Miscellaneous insurance liabilities, not included above, such as—		
9	810(c)(6)		(a) Special contingency reserves group life, health and accident insurance		
10	810(c)(3)		(b) Amounts held at interest under insurance, annuity or deposit administration contracts or pension trust side funds		
11	810(c)(3)		(c) Funds held to provide for future conversion of policies or contracts		
12	810(c)(3)		(d) Amounts held pending issue of contracts supplementary to insurance or annuity contracts		
13	801(c)(3)		(e) Other insurance liabilities or adjustments:		
			(i) Reserves for mortality fluctuations		
			(ii) Liability for insurance or annuity benefits for employees and agents		
14	801(c)(3)		(f) Other items (please describe):		

15			Totals		
16			Total general account insurance liabilities. Enter total from line 15, column 4, here and in question H. See instructions .		

*1978 Annual Statement Form approved by the National Association of Insurance Commissioners. References in column 2 apply to the general account only.