

U.S. Life Insurance Company Income Tax Return

1981

For calendar year 1981, or other tax year
 beginning, 1981 and ending, 19.....

Please type or print

Name	A Employer identification number
Number and street	B Date and place incorporated
City or town, State, and ZIP code	For Paperwork Reduction Act Notice, see page 1 of the instructions

Taxable Income

1 (a) Taxable investment income (from Schedule C, line 13)	1(a)	
(b) Gain from operations (from Schedule E, line 26, page 4). (If a loss, enter zero)	1(b)	
(c) Enter the smaller of (a) or (b)		1(c)
2 50% of any excess of 1(b) over 1(a). (Also enter on Schedule G, line 2(a), page 6)		2
3 Amount subtracted from policyholders' surplus account (from Schedule G, page 6)		3
4 Life insurance company taxable income (add lines 1(c), 2, and 3)		4

Tax

5 Are you a member of a controlled group? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, see instructions and enter your share of the \$25,000 amount in each taxable income bracket: (a) \$..... (b) \$..... (c) \$..... (d) \$.....		
6 Income tax (see instructions to figure the tax.) If you use the alternative tax, check this box <input type="checkbox"/> and enter the tax from Schedule D (Form 1120) here		6
7 (a) Foreign tax credit (attach Form 1118)	7(a)	
(b) Investment credit (attach Form 3468)	7(b)	
(c) Work incentive (WIN) credit (attach Form 4874)	7(c)	
(d) Jobs credit (attach Form 5884)	7(d)	
(e) Other credits (see instructions)	7(e)	
8 Add lines 7(a) through (e)		8
9 Balance of tax (subtract line 8 from line 6)		9
10 Foreign corporations—tax on income not connected with U.S. business (see Tax Computation Instructions)		10
11 Increase in tax from refiguring an earlier year investment credit (attach Form 4255)		11
12 Minimum tax on tax preference items (see instructions—attach Form 4626)		12
13 Total tax (add lines 9 through 12)		13
14 Credits: (a) Overpayment from 1980 allowed as a credit	14(a)	
(b) 1981 estimated tax payments	14(b)	
(c) Less refund of 1981 estimated tax applied for on Form 4466	14(c) ()	
(d) Tax deposited with Form 7004	14(d)	
(e) Tax deposited with Form 7005 (attach copy)	14(e)	
(f) Credit from regulated investment companies (attach Form 2439)	14(f)	
(g) Federal tax on special fuels, gasoline and lubricating oil (attach Form 4136)	14(g)	
(h) U.S. income tax paid or withheld at source	14(h)	
(i) Other payments (see instructions)	14(i)	
(j) Total refundable credits (add lines 14(a) through (i))		14(j)
15 TAX DUE (subtract line 14(j) from line 13). See instructions for depositary method of payment		15
16 OVERPAYMENT (subtract line 13 from line 14(j))		16
17 Enter amount of line 16 you want: Credited to 1982 estimated tax ▶ Refunded ▶		17

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 <input type="checkbox"/>	Preparer's social security no.
Firm's name (or yours, if self-employed) and address ▶	E.I. No. ▶	ZIP code ▶		

Schedule A INVESTMENT YIELD (See instructions)

Table with 4 columns: 1. Interest, 2. Accrual of discount, 3. Amortization of premium, 4. Total (for line 1: add cols. 1 and 2, and subtract col. 3). Rows include Interest, Dividends, Gross rents, Gross royalties, Leases, terminations, etc., Excess of net short-term capital gain, Gross income from trade or business, Gross Investment Income, Deductions, and Investment Yield.

Schedule A-1 LIMITATION OF INVESTMENT EXPENSE DEDUCTION (Do not fill in this schedule unless you claim a deduction for general expenses allocated to investment income.)

Table with 3 columns for calculations. Rows include: 1 Mean of the assets for the tax year, 2 Statutory amount, 3 Mortgage service fees, 4 (a) (i) Investment yield figured without investment expenses, (ii) 3 3/4% of line 1, (iii) Subtract line (ii) from line (i), (iv) 25% of line (iii), (v) Mortgage service fees, (vi) Subtract line (v) from line (iv), (b) (i) Mortgages without service fees, (ii) 1/4% of line (i), (c) Enter the greater of line (a)(vi) or line (b)(ii), 5 Limit on deduction for investment expenses.

Schedule B PART I—EARNINGS RATE (Section 805(b))

Table with 2 columns: Description and Percentage (%). Rows include: 1 Current earnings rate, 2 Earnings rate for first preceding year, 3 Earnings rate for second preceding year, 4 Earnings rate for third preceding year, 5 Earnings rate for fourth preceding year, 6 Total (add lines 1 through 5), 7 Average earnings rate.

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

1. Kind of reserve (life, annuity, etc.)	2. Assumed morbidity or mortality table	3. Assumed interest rate	4. Method of computation (Illinois Standards, etc.)	5. Reserve at beginning of tax year*	6. Reserve at end of tax year*	7. Mean of column 5 and 6**	8. Multiply column 3 by column 7	
1								
2								
3								
4								
5 Totals								
6 Average interest rate assumed in figuring life insurance reserves (Divide line 5, column 8 by line 5, column 7)								%

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

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

1 Mean of the reserves (Part II, line 5, column 7)		
2 (a)	100%	
(b) Plus ten times the average rate of interest assumed (from Part II, line 6)		
(c) Ten times the adjusted reserves rate (the smaller of line 1 or line 7, Part I)		
(d) Subtract line 2(c) from line 2(b)		
3 Adjusted life insurance reserves (multiply line 1 by line 2(d)). Enter here and on Schedule B, Part V, line 1		%

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

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 Section 805(d)(6) reserves						
7 Totals (Enter amount from column 7 on Schedule B, Part V, line 3)						

PART V—POLICY AND OTHER CONTRACT LIABILITY REQUIREMENTS (Section 805(a)) (See instructions)

1 Adjusted life insurance reserves (from Part III, line 3)		%
2 Multiplied by the adjusted reserves rate (the smaller of line 1 or line 7, Part I)		%
3 Pension plan reserves (Part IV, line 7, column 7)		%
4 Multiplied by the current earnings rate (Part I, line 1)		%
5 Interest (a) Interest on indebtedness		
(b) Amounts treated as interest		
(c) Discount on prepaid premiums		
(d) Interest on certain special contingency reserves		
6 Policy and other contract liability requirements (add lines 2, 4 and 5)		

Schedule C TAXABLE INVESTMENT INCOME (Section 804(a)(2)) (See instructions)

	1. Total	2. Exclusion—policyholders' share (line 2 times col. 1)	3. Company's share (subtract col. 2 from col. 1)
1 Total			100%
2 Policyholders' share (section 804) (Divide Schedule B, Part V, line 6, by Schedule A, line 15), but not more than 100%			%
3 Company's share (subtract line 2 from line 1)			%
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 1120), line 10)			
8 Total (add lines 4 through 7)			
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) 59.13% of line 5(b), column 3			
(c) 85% or 100% of line 5(c), column 3 (see instructions)			
(d) Total, but not more than 85% of taxable investment income (line 13) figured without this deduction (see instructions)			
11 Small business deduction (10% of line 15, Schedule A; members of a controlled group, see instructions)—not over \$25,000			
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			

Schedule E GAIN OR (LOSS) FROM OPERATIONS (Section 809(b)) (See instructions)

				100%
1 Total				%
2 Policyholders' share (section 809) (Divide Schedule E-1, line 6, by Schedule A, line 15), but not more than 100%				%
3 Company's share (subtract line 2 from line 1)				%
		1. Total	2. Exclusion—policyholders' share (line 2 times column 1)	3. Company's share (column 1 less column 2)
Income	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 (Subtract lines 4 and 5 above from Schedule A, line 15)			
	7 Totals (add lines 4 through 6)			
	8 Net capital gain (Schedule D (Form 1120), line 10)			
	9 Gross premiums Less: Return premiums, etc.			
10 (a) Decrease in reserves (after adjustment under section 810(a)) (attach schedule)				
(b) Decrease in section 811(b)(2) reserves (see Schedule E-2, Part I, line 3)				
(c) 10% of any net decrease in reserves required by section 810(d)				
11 Other (attach schedule). Include amount from Form 4797, line 11(b)(2) for other than investment assets (see instructions)				
12 Total (add lines 7 through 11)				
Deductions	13 Death benefits, etc.			
	14 (a) Increase in reserves (after reduction for investment yield under section 810(b)) (attach schedule)			
	(b) 10% of any net increase in reserves required by section 810(d)			
	15 Assumption by another person of liabilities under insurance, etc., contracts			
	16 Interest wholly tax-exempt (line 4, column 3)			
	17 Investment expenses, etc., not deducted on Schedule A (attach schedule)			
	18 Small business deduction (Schedule C, line 11)			
	19 Other deductions not deducted on Schedule A (attach schedule)			
	20 Total (add lines 13 through 19)			
	21 Dividends-received deduction (affiliated groups, see instructions):			
	(a) 85% of line 5(a), column 3			
	(b) 59.13% of line 5(b), column 3			
	(c) 85% or 100% of line 5(c), column 3 (see instructions)			
(d) Total (but do not enter more than 85% of any excess of line 12 over line 20—see instructions)				
22 Operations loss deduction (attach schedule)				
23 Tentative deduction (add lines 20 through 22)				
24 Plus: (a) Dividends to policyholders (Schedule E-2, Part IV, line 7)				
(b) Accident and health, and group life insurance (Schedule E-2, Part IV, line 9)				
(c) Certain nonparticipating contracts (Schedule E-2, Part IV, line 11)				
25 Total deductions (add lines 23 and 24)				
26 Gain or (loss) from operations (subtract line 25 from line 12). Enter here and on page 1, line 1(b)				

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

	1. Rate	2. Beginning of tax year	3. End of tax year	4. Mean of columns 2 and 3	5. Multiply column 1 by column 4
1 Sec. 810(c)(1) reserves (from Schedule B, Part II, line 5, column 8 and Schedule B, Part IV, line 7, column 8)					
2 Sec. 810(c)(3) reserves					
3 Sec. 810(c)(4) reserves					
4 Sec. 810(c)(5) reserves					
5 Sec. 810(c)(6) reserves					
6 Required interest (add lines 1 through 5)					

Schedule E-2

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

- 1 Dividends paid to policyholders
2 (a) Reserve at the end of this tax year
(b) Reserve at the end of the preceding tax year
(c) Difference (subtract (b) from (a))
3 Combine lines 1 and 2(c). If more than zero, enter on Schedule E-2, Part IV, line 7; if less than zero, enter as a positive number on Schedule E, line 10(b).

PART II—CERTAIN ACCIDENT AND HEALTH INSURANCE AND GROUP LIFE INSURANCE (Section 809(d)(6))

- 1 (a) Net premiums
(b) 2% of line 1(a)
2 (a) 50% of line 1(a)
(b) Deductions allowed or allowable in earlier years under section 809(d)(6)
(c) Difference (subtract 2(b) from 2(a)). If less than zero, enter zero
3 Tentative deduction—Enter the smaller of line 1(b) or 2(c) here and in Schedule E-2, Part IV, line 9.

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

- 1 (a) Reserve at the end of the tax year
(b) Reserve at the beginning of the tax year
(c) Subtract line 1(b) from line 1(a) (if less than zero, enter zero)
(d) 10% of line 1(c)
2 (a) Net premiums
(b) 3% of line 2(a)
3 Tentative deduction—Enter the greater of line 1(d) or line 2(b) here and in Schedule E-2, Part IV, line 11.

PART IV—LIMITATION ON DEDUCTION (SCHEDULE E, LINE 24) (Section 809(f))

- 1 Statutory amount \$250,000
2 (a) Schedule E, line 12
(b) Tentative deduction (Schedule E, line 23)
3 Gain from operations without Schedule E, line 24 (subtract line 2(b) from line 2(a))
4 Taxable investment income (Schedule C, line 13)
5 Subtract line 4 from line 3 (but do not enter less than zero)
6 Maximum possible deduction for Schedule E, line 24 (add lines 1 and 5)
7 Deduction for dividends to policyholders (Schedule E-2, Part I, line 3) (not more than line 6)
8 Maximum deduction for accident and health, and group life insurance (subtract line 7 from line 6)
9 Deduction for accident and health, and group life insurance (Schedule E-2, Part II, line 3) (not more than line 8)
10 Maximum deduction for certain nonparticipating contracts (subtract line 9 from line 8)
11 Deduction for certain nonparticipating contracts (Schedule E-2, Part III, line 3) (not more than line 10).

Schedule F SHAREHOLDERS' SURPLUS ACCOUNT (Section 815(b))

- 1 (a) Balance at the end of the preceding tax year
(b) Transfers under section 815(d)(1) and (4) for the preceding tax year
(c) Balance at the beginning of the tax year (add line 1(a) and line 1(b))
2 Life insurance company taxable income under section 815(b)(2)(A)(i) (add line 1(c), page 1, and line 2, page 1)
3 Subtract any income on line 2 from net capital gain income. Do not enter less than zero.
4 Dividends-received deduction (affiliated groups—see instructions):
(a) 85% of Schedule A, line 2(a)
(b) 59.13% of Schedule A, line 2(b)
(c) 85% or 100% of Schedule A, line 2(c) (see instructions)
(d) Total (but do not enter more than 85% of any excess of line 12, Schedule E, over line 20, Schedule E).
5 Interest wholly tax-exempt (Schedule A, line 1(a), column 4)
6 Small business deduction (Schedule C, line 11)
7 Total (add lines 1 through 6)
8 Tax liability for this year under section 815(b)(2)(B) (income tax figured on line 2 as if line 2 were total life insurance company taxable income)
9 Subtract line 8 from line 7 (do not enter less than zero)
10 Distributions in this tax year (not more than line 9)
11 Balance at the end of the tax year (subtract line 10 from line 9)

Schedule G POLICYHOLDERS' SURPLUS ACCOUNT (Section 815(c))

Table with 6 rows and 2 columns. Rows include: 1 Balance at the beginning of the tax year; 2 (a) 50% of the amount by which the gain from operations is more than the taxable investment income; (b) Deduction for accident and health, and group life insurance; (c) Deduction for certain nonparticipating contracts; 3 Total (add lines 1 and 2); 4 (a) Actual distributions that are more than Schedule F, line 9; (b) Tax increase on line 4(a) under section 802(b)(3); (c) Subtractions under section 815(d)(1) and (4); (d) Tax increase on line 4(c) under section 802(b)(3); (e) Subtraction required under section 815(d)(2) due to termination; 5 Total—Add lines 4(a) through (e); 6 Balance at the end of the year.

Schedule H Additional Information Required (See page 6 of instructions)

Table with 3 main sections: C Are you a: (1) Legal reserve company?; D Are you a member of a controlled group subject to the provisions of section 1561?; E Enter the percentage that the total of your life insurance reserves... plus unearned premiums and unpaid losses... is to your total reserves...; F Do you have any variable annuity contracts outstanding?; G (1) Did you, at the end of the tax year, own, directly or indirectly, 50% or more of the voting stock of a domestic corporation...; (2) Did any individual, partnership, corporation, estate, or trust, at the end of the tax year, own, directly or indirectly, 50% or more of your voting stock...; H Did you previously file a copy of the annual statement for the preceding years as required?; I Does a copy of the 1981 NAIC annual statement accompany this return?; J Did you claim a deduction for: (a) Entertainment facility; (b) Living accommodation; (c) Employees attending conventions; (d) Employees' families at conventions; (e) Employee or family vacations; K Were you a U.S. shareholder of any controlled foreign corporation?; L At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country?; M Were you ever the grantor of or transferor to a foreign trust that existed during the current tax year...; N During the tax year were any of your tax accounting records maintained on a computerized system? Each row has Yes/No columns.

Schedule J COMPENSATION OF OFFICERS (See page 6 of instructions for information to be attached.)

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

PART I—ASSETS (Section 805(b)(4))		1. Beginning of tax year	2. End of tax year	3. Mean of column 1 and column 2*
1	Real estate			
2	Mortgages: (a) Without service fees			
	(b) With service fees			
3	Collateral loans			
4	Policy loans, including premium notes			
5	Corporate bonds			
6	Stocks			
7	Government obligations, etc. (attach schedule)			
8	Bank deposits, cash, etc.			
9	Other assets (attach schedule)			
10	Totals			
			General account	Separate account
11	Assets at the end of the tax year (line 10, column 2)			

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

PART II—Total Insurance Liabilities (Section 819(a))					
Item	1. Section	2. NAIC* page 3	3. Description of item	4. General account	5. Separate account
1	801(c)(1)	Line 1	Reserve for life policies and contracts		
			Subtract: Deficiency reserves		
2	801(b)(1)	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	801(b)(1)	Line 4.1	Policy and contract claims, life		
			Subtract: Resisted life claims		
5	801(b)(1)	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 and other deposit funds		
9	810(c)(6)		Miscellaneous insurance liabilities, not included above:		
	810(c)(3)		(a) Special contingency reserves for group life, health and accident insurance		
	810(c)(3)		(b) Amounts held at interest under insurance, annuity or deposit administration contracts or pension trust side funds		
	810(c)(3)		(c) Funds held to provide for future conversion of policies or contracts		
	810(c)(3)		(d) Amounts held pending issue of contracts supplementary to insurance or annuity contracts		
	801(c)(3)		(e) Other insurance liability or adjustments:		
			(i) Reserves for mortality fluctuations		
			(ii) Liability for insurance or annuity benefits for employees and agents		
	801(c)(3)		(f) Other items (please describe):		

10			Totals		

*1981 Annual Statement Form approved by the National Association of Insurance Commissioners. References in column 2 apply to the general account only.