

Department of the Treasury
Internal Revenue Service

For calendar 1988, or tax year beginning _____, 1988, and ending _____, 19 _____

► For Paperwork Reduction Act Notice, see page 1 of the instructions.

Please type or print

Name	A Employer identification number
Number and street (or P.O. Box number if mail is not delivered to street address)	B Date incorporated
City or town, state, and ZIP code	C Check box if this is a consolidated return . . . ► <input type="checkbox"/>
	D Check box if nonlife insurance companies are included ► <input type="checkbox"/>
E Check applicable boxes: 1 <input type="checkbox"/> Final return 2 <input type="checkbox"/> Change in address 3 <input type="checkbox"/> Amended return	
F Check box if a section 953(c)(3)(C) election has been made ► <input type="checkbox"/>	

Taxable income

1 Life insurance company taxable income (LICTI)—(Schedule A, line 20)	1	
2 Limitation on noninsurance losses (Schedule P, line 9)	2	
3 Amount subtracted from policyholder surplus account (Schedule N, line 3)	3	
4 Total taxable income—Add lines 1, 2, and 3; however, the total may not be less than line 3	4	

Tax

5 Check if you are a member of a controlled group (see sections 1561 and 1563) ► <input type="checkbox"/>			
a Enter your share of the \$50,000 amount and \$25,000 amount (in that order) in each tax bracket: (i) \$ _____ (ii) \$ _____			
b Enter your share of the additional 5% tax (not to exceed \$11,750): \$ _____			
6 Income tax (see instructions to figure the tax)	6		
7a Foreign tax credit (attach Form 1118)	7a		
b Other credits (see instructions)	7b		
c General business credit. Check if from: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 3468 <input type="checkbox"/> Form 5884 <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 6765 <input type="checkbox"/> Form 8586	7c		
d Credit for prior year minimum tax (attach Form 8801)	7d		
8 Total credits (add lines 7a through 7d)	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 <i>Tax Computation Instructions</i>)	10		
11 Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611	11		
12a Alternative minimum tax (see instructions—attach Form 4626)	12a		
b Environmental tax (see instructions—attach Form 4626)	12b		
13 Total tax (add lines 9 through 12b)	13		
14a Overpayment from 1987 allowed as a credit	14a		
b 1988 estimated tax payments	14b		
c Less refund of 1988 estimated tax applied for on Form 4466	14c	()
d Tax deposited with Form 7004	14d		
e Credit from regulated investment companies (attach Form 2439)	14e		
f Credit for Federal tax on fuels (attach Form 4136)	14f		
g U.S. income tax paid or withheld at source	14g		
h Other payments (see instructions)	14h		
15 Total refundable credits (combine lines 14a through 14h)	15		
16 Enter any PENALTY for underpayment of estimated tax—Check ► <input type="checkbox"/> if Form 2220 is attached.	16		
17 TAX DUE —If the total of lines 13 and 16 is larger than line 15, enter AMOUNT OWED	17		
18 OVERPAYMENT —If line 15 is larger than the total of lines 13 and 16, enter AMOUNT OVERPAID	18		
19 Enter amount of line 18 you want: Credited to 1989 estimated tax ► \$ _____ Refunded ► \$ _____	19		

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
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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 Life Insurance Company Taxable Income (LICTI) (Section 801(b))

1	Gross premiums, etc., less return premiums, etc. Enter balance		
2	Decrease in reserves (see instructions)		
3	10% of any decrease in reserves under section 807(f)(1)(B)(ii)		
4	Investment income (Schedule C, line 8)		
5	Net capital gain (line 10, Schedule D (Form 1120))		
6	Other amounts (attach schedule)		
7	Life insurance company gross income (add lines 1 through 6)		
8	Death benefits, etc.		
9	Increase in reserves (Schedule B, line 12)		
10	10% of any increase in reserves under section 807(f)(1)(B)(i)		
11	Deductible policyholder dividends (Schedule E, line 7)		
12	Consideration paid for assumption by another person of liabilities		
13	Dividends reimbursable by taxpayer		
14	Other deductions (attach schedule—see instructions)		
15	Dividends-received deduction (Schedule G, column (c), line 15—see instructions for limitation and attach schedule if applicable), enter here and on Schedule M, line 2c		
16	Operations loss deduction (attach schedule)		
17	Total deductions (add lines 8 through 16)		
18	Gain or (loss) from operations (subtract line 17 from line 7), enter here and on Schedule H, line 1		
19	Small life insurance company deduction (Schedule H, line 10), enter here and on Schedule M, line 2b		
20	LICTI (line 18 less line 19), enter here and on page 1, line 1		

SCHEDULE B Increase or (Decrease) in Reserves (Section 807)

	(a) Beginning of tax year	(b) End of tax year
1	Life insurance reserves (section 807(c)(1))	
2	Unearned premiums and unpaid losses (section 807(c)(2))	
3	Supplementary contracts (section 807(c)(3))	
4	Dividend accumulations and other amounts (section 807(c)(4))	
5	Advance premiums (section 807(c)(5))	
6	Special contingency reserves (section 807(c)(6))	
7	Total (add lines 1 through 6 in both columns)	
8	Increase (decrease) in reserves (column (b) less column (a)) (see instructions)	
9	Policyholders' share of tax-exempt interest (Schedule C, line 9 times Schedule K, line 26)	
10	Line 8 less line 9	
11	Less: Adjustment to reserves of mutual insurance company per section 809(a)(2) (Schedule E, line 8)	
12	Net increase (decrease) in reserves. (If an increase, enter here and on Schedule A, line 9. If a (decrease), enter here and on Schedule A, line 2.)	

SCHEDULE C Gross Investment Income (Section 812(d))

1	Interest (excluding tax-exempt interest)	
2	Dividend income (Schedule G, column (a), line 15)	
3	Gross rents	
4	Gross royalties	
5	Leases, terminations, etc.	
6	Excess of net short-term capital gain over net long-term capital loss (line 9, Schedule D (Form 1120))	
7	Gross income from trade or business other than insurance (attach schedule)	
8	Investment income (add lines 1 through 7), enter here and on Schedule A, line 4	
9	Tax-exempt interest, enter here and on Schedule K, line 5 and on Schedule M, line 2d	
10	Add lines 8 and 9	
11	100% qualifying dividends (see instructions)	
12	Gross investment income (line 10 less line 11), enter here and on Schedule K, line 1	

SCHEDULE E Policyholder Dividends (Section 808)

1	Amounts paid or accrued (808(b)(1))		
2	Excess interest (808(b)(2))		
3	Premium adjustments (808(b)(3))		
4	Experience-rated refunds (808(b)(4))		
5	Total (add lines 1 through 4)		
6	Differential earnings amount for mutual company only (Schedule F, line 15)		
7	Deductible policyholder dividends (line 5 minus line 6, but not less than zero), enter here and on Schedule A, line 11 and Schedule K, line 10.		
8	Excess of line 6 over line 5: Adjustment to reserves of mutual insurance company, enter here and on Schedule B, line 11		
9	Deductible percentage (line 7 divided by line 5)		%

SCHEDULE F Differential Earnings Amount—Mutual Companies Only (Section 809)

		(a) End of preceding tax year	(b) End of this tax year
1	Annual statement surplus and capital (809(b)(2)(A))		
2	Nonadmitted financial assets (attach schedule) (809(b)(3)(B))		
3	Excess of statutory reserves over tax reserves on section 807(c) items (809(b)(4)(B)(i))		
4	Deficiency reserves (809(b)(5)(B))		
5	Mandatory securities valuation reserve (809(b)(5)(A))		
6	Other voluntary reserves (809(b)(5)(C))		
7	50% of the amount of any provision for policyholder dividends payable in the next tax year.		
8a	Subtotal (add lines 1 through 7)		
b	Adjustment for equity allocable to noncontiguous Western Hemisphere countries and other adjustments (809(g)(5)(A))		
c	Combine lines 8a and 8b, both columns		
9	Total of line 8c, columns (a) and (b)		
10	Tentative average equity base—Enter 50% of line 9.		
11	Other adjustments (attach schedule)		
12	Total of lines 10 and 11		
13	High surplus adjustment (section 809 (i))—attach schedule		
14	Average equity base (line 12 less line 13)		
15	Differential earnings amount (line 14 times the differential earnings rate), enter here and on Schedule E, line 6.	see instructions	

SCHEDULE G Dividend Income and Dividends-Received Deduction (See instructions.)

Dividends subject to proration		(a) Gross taxable dividends	(b) Deduction rate	(c) Deduction (column (a) times column (b))
1	Domestic corporations, less-than-20%-owned		70%	
2	Domestic corporations, 20%-or-more-owned		80%	
3	Debt-financed stock		see instructions	
4	Public utility corporations, less-than-20%-owned		41.176%	
5	Public utility corporations, 20%-or-more-owned		47.059%	
6	Foreign corporations, less-than-20%-owned		70%	
7	Foreign corporations, 20%-or-more-owned		80%	
8	Wholly owned foreign corporations		100%	
9	Certain affiliated company dividends		100%	
10	Gross dividends-received deduction (add lines 1 through 9 of column (c))			
11	Company share percentage (Schedule K, line 25)			
12	Prorated amount (line 10 times line 11)			
Dividends not subject to proration				
13	Affiliated company dividends		see instructions	
14	Other corporate dividends			
15	Total (add lines 1 through 14 in column (a) and lines 12 and 13 in column (c)). (Reduce the deduction as provided in section 805(a)(4)(D)(ii).)—Enter the amount from line 15, column (a), on Schedule C, line 2, and enter the amount from line 15, column (c), on Schedule A, line 15			

SCHEDULE H Small Life Insurance Company Deduction (Section 806(a))—If assets (Schedule O, Part I) are \$500,000,000 or more, complete lines 1 through 5, line 9, and enter zero on line 10. (See instructions.)

1	Gain or (loss) from operations (Schedule A, line 18) (806(b)(1))			
2a	Less: noninsurance income (806(b)(2))			
b	Plus: noninsurance deductions (806(b)(2))			
3a	Gain or (loss) on insurance operations (line 1 less line 2a plus line 2b)			
b	Adjustments (attach schedule)			
c	Tentative LICTI (total of lines 3a and 3b)			
4	Controlled group tentative LICTI (Schedule I, line 8)			
5	Combined tentative LICTI (line 3c plus line 4). If \$15,000,000 or more, omit lines 6 through 8, enter zero on line 10, below, and on Schedule A, line 19			
6	Line 5 times .6, but not more than \$1,800,000	x .6		
7a	Maximum statutory amount (806(a)(1))	3,000,000		
b	Subtract line 7a from line 5, but not less than zero			
c	Line 7b times .15, but not over \$1,800,000	x .15		
8	Tentative small life insurance company deduction (line 6 less line 7c)			
9	Taxpayer's share (line 3c—but not less than zero—divided by the sum of line 3c and Schedule I, column (a), line 6)			
10	Allowable small life insurance company deduction (line 9 times line 8). Enter here and on Schedule A, line 19.			

SCHEDULE I Controlled Group Information (Section 806(c)) (See instructions.)

	Company	Tentative LICTI	
		(a) Income	(b) (Loss)
1			
2			
3			
4			
5			
6	Total—Add lines 1 through 5 in both columns		
7	Enter amount from line 6, column (b)		
8	Net controlled group tentative LICTI (line 6 less line 7). Enter here and on Schedule H, line 4.		

SCHEDULE K Company/Policyholder Share Percentage (Section 812)—Part I (See instructions.)

1	Gross investment income (Schedule C, line 12) (812(d))		
2	Policy interest (Schedule L, line 6) (812(b)(2))		
3	Line 1 less line 2		
4	Life insurance company gross income (Schedule A, line 7).		
5	Tax-exempt interest (Schedule C, line 9)		
6	Add lines 4 and 5		
7	Increase in reserves (Schedule B, line 8) (If a decrease in reserves, enter "0".)		
8	Line 6 less line 7		
9	Investment income ratio (line 3 divided by line 8).		
10	Deductible policyholder dividends (Schedule E, line 7)		
11	Deductible excess interest (Schedule L, line 2)		
12	Deductible dividends on employee pension funds (812(b)(2)(C)(i))		
13	Deductible dividends on deferred annuities (812(b)(2)(C)(ii))		
14	Deductible premium and mortality charges for contracts paying excess interest		
15	Add lines 11 through 14		
16	Line 10 less line 15		
17	Investment portion of dividends (line 9 times line 16)		
18	Policy interest (Schedule L, line 6)		
19	Policyholder share amount (add lines 17 and 18)		

SCHEDULE K Part II

20	Gross investment income (line 1) (812(d))		
21	Net investment income (see instructions) (812(c)(1))		
22	Policyholder share amount (line 19)		
23	Company share of net investment income (line 21 less line 22)		
24	Total share percentage		100%
25	Company share percentage (line 23 divided by line 21). Enter here and on Schedule G, line 11 (812(a)(1))		
26	Policyholders' share percentage (line 24 less line 25) (812(a)(2))		

SCHEDULE L Policy Interest (Section 812(b)(2))

- 1 Required interest on reserves under sections 807(c)(1), (3), (4), (5), and (6)—attach schedule.
- 2 Deductible excess interest (Schedule E, line 2 times Schedule E, line 9). Enter here and on Schedule K, line 11.
- 3 Deductible amounts credited to employee pension funds (812(b)(2)(C)(i))
- 4 Deductible amounts credited to deferred annuities (812(b)(2)(C)(ii))
- 5 Deductible interest on amounts left on deposit (section 812(b)(2)(D))
- 6 Total policy interest (add lines 1 through 5). Enter here and on Schedule K, lines 2 and 18

SCHEDULE M Shareholders' Surplus Account—Stock Companies Only (Section 815(c))

- 1a Balance at the beginning of the tax year
- b Transfers under pre-1984 section 815(d)(1) and (4) for preceding year
- c Balance at the beginning of the tax year (add lines 1a and 1b)
- 2a LICIT (page 1, sum of lines 1 and 2, but not less than zero) (815(c)(2)(A)(i))
- b Small life insurance company deduction allowed by section 806(a) (Schedule A, line 19) (815(c)(2)(A)(ii))
- c Dividends-received deduction (Schedule A, line 15) (815(c)(2)(A)(iii))
- d Tax-exempt interest (Schedule C, line 9)
- 3 Total (add lines 1c through 2d)
- 4 Tax liability without regard to section 815 (figure the tax on line 2a as if line 2a were total taxable income)
- 5 Line 3 less line 4 (do not enter less than zero)
- 6 Direct or indirect distributions in the tax year (not more than line 5)
- 7 Balance at the end of the tax year (line 5 less line 6)

SCHEDULE N Policyholders' Surplus Account—Stock Companies Only (Section 815(d))

- 1 Balance at the beginning of the tax year.
- 2a Direct or indirect distributions in excess of the amount on Schedule M, line 5
- b Tax increase on line 2a
- c Subtractions from account under pre-1984 sections 815(d)(1) and (4) (see instructions)
- d Tax increase on line 2c
- e Subtraction from account required under pre-1984 section 815(d)(2) due to termination
- 3 Total—Add lines 2a through 2e, but not more than line 1
- 4 Balance at the end of the tax year (line 1 less line 3)

SCHEDULE O Total Assets and Total Insurance Liabilities

Part I—Total Assets (Section 806(a)(3)(C))

- 1 Real property (806(a)(3)(C)(i))
- 2 Stocks (806(a)(3)(C)(i))
- 3 Proportionate share of partnership and trust assets (806(a)(3)(D)(ii))
- 4 Other assets (attach schedule) (806(a)(3)(C)(ii)).
- 5 Total assets of controlled groups (806(c)(2))
- 6 Total (add lines 1 through 5)

As of Close of
Tax Year

SCHEDULE O Total Assets and Total Insurance Liabilities—Continued

Part II—Total Insurance Liabilities (Section 842(b)(2)(B)(i))

Item	(a) Section	(b) Description of item	(c) Liabilities at close of tax year	
1	816(c)(1)	Reserve for life policies and contracts		
2	816(c)(2)	Reserve for accident and health policies		
3	807(c)(3)	Supplementary contracts without life contingencies		
4	816(c)(2)	Policy and contract claims, life		
5	816(c)(3)	Policy and contract claims, accident and health		
6	807(c)(4)	Policyholders' dividend and coupon accumulations		
7	807(c)(5)	Premiums and annuity considerations received in advance Less: Discount		
8	807(c)(5)	Liability for premium and other deposit funds		
9		Miscellaneous insurance liabilities, not included above:		
	807(c)(6)	a Special contingency reserves for group life, health and accident insurance.		
	807(c)(3)	b Amounts held at interest under insurance, annuity, or deposit administration contracts, or pension trust side funds		
	807(c)(3)	c Funds held to provide for future conversion of policies or contracts		
	807(c)(3)	d Amounts held pending issue of contracts supplementary to insurance or annuity contracts		
	816(c)(3)	e Other insurance liability or adjustments:		
		(i) Reserves for mortality fluctuations		
		(ii) Liability for insurance or annuity benefits for employees and agents		
	816(c)(3)	f Other items (please describe):		

10		Total		

SCHEDULE P Limitation on Noninsurance Losses (Section 806(b)(3)(C))

1	Noninsurance income (attach schedule)		
2	Noninsurance deductions (attach schedule)		
3	Noninsurance operations loss deductions		
4	Add lines 2 and 3		
5	Noninsurance loss (line 4 less line 1). If line 1 is greater than line 4, skip lines 5 through 8, and enter zero on line 9.		
6	Enter 35% of line 5		
7	Enter 35% of the excess of Schedule A, line 20, over any noninsurance loss included in Schedule A		
8	Enter the lesser of line 6 or line 7		
9	Limitation on noninsurance losses (line 5 less line 8)—Enter here and on page 1, line 2		

