

**SCHEDULE M-3
(Form 1120-L)**

**Net Income (Loss) Reconciliation for U.S. Life Insurance
Companies With Total Assets of \$10 Million or More**

OMB No. 1545-0128

2006

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120-L.
▶ See separate instructions.

Name of corporation (common parent, if consolidated return)

Employer identification number

Part I Financial Information and Net Income (Loss) Reconciliation

- 1a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
 - Yes.** Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 - No.** Go to line 1b.
- b Did the corporation prepare a certified audited income statement for that period?
 - Yes.** Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 - No.** Go to line 1c.
- c Did the corporation prepare an income statement for that period?
 - Yes.** Complete lines 2a through 11 with respect to that income statement.
 - No.** Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4.
- 2a Enter the income statement period: Beginning / / Ending / /
- b Has the corporation's income statement been restated for the income statement period on line 2a?
 - Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
 - No.**
- c Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?
 - Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
 - No.**
- 3a Is any of the corporation's voting common stock publicly traded?
 - Yes.**
 - No.** If "No," go to line 4.
- b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock

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- c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

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- 4 Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1

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- 5a Net income from nonincludible foreign entities (attach schedule)

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- b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount)

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- 6a Net income from nonincludible U.S. entities (attach schedule)

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- b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount)

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- 7a Net income of other includible corporations (attach schedule)

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- b Net loss of other includible corporations (attach schedule)

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- 8 Adjustment to eliminations of transactions between includible corporations and nonincludible entities (attach schedule)

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- 9 Adjustment to reconcile income statement period to tax year (attach schedule)

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- 10 Other adjustments to reconcile to amount on line 11 (attach schedule)

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- 11 **Net income (loss) per income statement of includible corporations.** Combine lines 4 through 10

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Name of corporation (common parent, if consolidated return)	Employer identification number
If consolidated return, check applicable box: (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corporation (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corporation	
Name of subsidiary (if consolidated return)	Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return

	(a) Income (Loss) per Income Statement (optional)	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return (optional)
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar income inclusions				
4 Section 78 gross-up				
5 Gross foreign distributions previously taxed				
6 Income (loss) from equity method U.S. corporations				
7 U.S. dividends not eliminated in tax consolidation				
8 Minority interest for includible corporations				
9 Income (loss) from U.S. partnerships (attach schedule)				
10 Income (loss) from foreign partnerships (attach schedule)				
11 Income (loss) from other pass-through entities (attach schedule)				
12 Items relating to reportable transactions (attach details)				
13 Interest income				
14 Accrual of bond discount				
15 Hedging transactions				
16 Mark-to-market income (loss)				
17 Deferred and uncollected premiums				
18 Sale versus lease (for sellers and/or lessors)				
19 Section 481(a) adjustments				
20 Amortization of interest maintenance reserve				
21 Original issue discount and other imputed interest				
22a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than pass-through entities				
22b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
22c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
22d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
22e Abandonment losses				
22f Worthless stock losses (attach details)				
22g Other gain/loss on disposition of assets				
23 Market discount reclassification				
24 Change in disallowed capital loss in excess of capital gains/utilization of capital loss carryforward				
25 Other income (loss) items with differences (attach schedule)				
26 Total income (loss) items. Combine lines 1 through 25				
27 Total expense/deduction items (from Part III, line 39)				
28 Other income (loss) and expense/deduction items with no differences				
29 Reconciliation totals. Combine lines 26 through 28				

Note. Line 29, column (a) must equal the amount on Part I, line 11, and column (d) must equal taxable income on Form 1120-L, page 1, line 24, before the effect of lines 19, 20 and 23 (attach schedule).

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Name of subsidiary (if consolidated return)	Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return—Expense/Deduction Items

Expense/Deduction Items	(a) Expense per Income Statement (optional)	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return (optional)
1 U.S. current income tax expense				
2 U.S. deferred income tax expense				
3 State and local current income tax expense				
4 State and local deferred income tax expense				
5 Foreign current income tax expense (other than foreign withholding taxes)				
6 Foreign deferred income tax expense				
7 Foreign withholding taxes				
8 Equity-based compensation				
9 Capitalization of deferred acquisition costs				
10 Amortization of deferred acquisition costs				
11 Meals and entertainment				
12 Fines and penalties				
13 Judgments, damages, awards, and similar costs				
14 Parachute payments				
15 Compensation with section 162(m) limitation				
16 Pension and profit-sharing				
17 Other post-retirement benefits				
18 Deferred compensation				
19 Charitable contribution of cash and tangible property				
20 Charitable contribution of intangible property				
21 Charitable contribution limitation/carryforward				
22 Change in section 807(c)(1) tax reserves				
23 Change in section 807(c)(2) tax reserves				
24 Change in all other section 807(c) tax reserves				
25 Section 807(f) adjustments for change in computing reserves				
26 Section 807(a)(2)(B) tax reserve amount with respect to policyholder share of tax-exempt interest				
27 Current year acquisition/reorganization costs (attach schedule)				
28 Amortization of acquisition, reorganization, and start-up costs				
29 Amortization/impairment of goodwill, insurance in force and ceding commissions				
30 Other amortization or impairment write-offs				
31 Section 846 amount				
32 Depreciation				
33 Bad debt expense/agency balances written off				
34 Corporate owned life insurance premiums				
35 Purchase versus lease (for purchasers and/or lessees)				
36 Interest expense				
37 Domestic production activities deduction				
38 Other expense/deduction items with differences (attach schedule)				
39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27				