

Department of the Treasury
Internal Revenue Service

For calendar year 2001 or tax year beginning 2001, and ending 2001

2001

Instructions are separate. See page 19 for Paperwork Reduction Act Notice.

A Check applicable box if an election has been made under section(s):
(1) 953(c)(3)(C)
(2) 953(d)

Please type or print

Name
Number and street, and room or suite no. (If a P.O. box, see page 6 of Instructions)
City or town, state, and ZIP code

B Employer identification number
C Date incorporated
D Check if a consolidated return (Attach Form 851)

E Check if: (1) Final return (2) Name change (3) Address change (4) Amended return

Table with 18 rows for tax computation and payments, including taxable income, taxes, credits, and total tax due.

Tax Computation and Payments

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.

Signature of officer, Date, Title

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name, EIN, Phone no.

Schedule A Taxable Income—Section 832 (See page 9 of instructions.)

Income	1	Premiums earned (Schedule E, line 7)			1		
	2	Dividends (Schedule C, line 14)			2		
			(a) Interest received	(b) Amortization of premium			
	3a	Gross interest					
	b	Interest exempt under section 103					
	c	Subtract line 3b from line 3a					
	d	Taxable interest. Subtract line 3c, column (b) from line 3c, column (a)			3d		
	4	Gross rents			4		
	5	Gross royalties			5		
	6	Capital gain net income (attach Schedule D (Form 1120))			6		
	7	Net gain or (loss) (Form 4797, Part II, line 18 (attach Form 4797))			7		
	8	Certain mutual fire or flood insurance company premiums (section 832(b)(1)(D))			8		
	9	Income on account of special income and deduction accounts			9		
	10	Income from protection against loss account (see instructions)			10		
11	Mutual interinsurers or reciprocal underwriters—decrease in subscriber accounts			11			
12	Income from a special loss discount account (attach Form 8816)			12			
13	Other income (attach schedule)			13			
14	Gross income. Add lines 1 through 13			14			
Deductions (See instructions for limitations on deductions.)	15	Compensation of officers (attach schedule) (see page 10 of instructions)			15		
	16	Salaries and wages (less employment credits)			16		
	17	Agency balances and bills receivable that became worthless during the tax year			17		
	18	Rents			18		
	19	Taxes and licenses			19		
	20a	Interest			20c		
		b Less tax-exempt interest exp.					
		c Bal.					
	21	Charitable contributions (see page 12 of instructions for 10% limitation)			21		
	22	Depreciation (attach Form 4562)			22		
	23	Depletion			23		
	24	Pension, profit-sharing, etc., plans			24		
	25	Employee benefit programs			25		
	26	Losses incurred (Schedule F, line 14)			26		
	27	Additional deduction (attach Form 8816)			27		
	28	Other capital losses (Schedule G, line 12, column (g))			28		
	29	Dividends to policyholders			29		
	30	Mutual interinsurers or reciprocal underwriters—increase in subscriber accounts			30		
	31	Other deductions (see page 13 of instructions) (attach schedule)			31		
	32	Total deductions. Add lines 15 through 31			32		
33	Subtotal. Subtract line 32 from line 14			33			
34a	Special deduction for section 833 organizations (Schedule H, line 6)	34a					
b	Deduction on account of special income and deduction accounts	34b					
c	Total. Add lines 34a and 34b			34c			
35	Subtotal. Subtract line 34c from line 33			35			
36a	Dividends-received deduction (Schedule C, line 25)	36a					
b	Net operating loss deduction	36b					
c	Total. Add lines 36a and 36b			36c			
37	Taxable income (subtract line 36c from line 35). Enter here and on page 1, line 1			37			

Schedule B Part I—Taxable Investment Income of Electing Small Companies—Section 834 (See page 14 of instructions.)

		(a) Interest received	(b) Amortization of premium		
Income	1a Gross interest				
	b Interest exempt under section 103				
	c Subtract line 1b from line 1a				
	d Taxable interest. Subtract line 1c, column (b) from line 1c, column (a)				
	2 Dividends (Schedule C, line 14)			1d	
	3 Gross rents			2	
	4 Gross royalties			3	
	5 Gross income from a trade or business, other than an insurance business, and from Form 4797			4	
	6 Income from leases described in sections 834(b)(1)(B) and 834(b)(1)(C)			5	
	7 Gain from Schedule D (Form 1120), line 14			6	
	8 Gross investment income. Add lines 1d through 7			7	
Deductions	9 Real estate taxes			8	
	10 Other real estate expenses			9	
	11 Depreciation (attach Form 4562)			10	
	12 Depletion			11	
	13 Trade or business deductions as provided in section 834(c)(8) (attach schedule)			12	
	14 Interest			13	
	15 Other capital losses (Schedule G, line 12, column (g))			14	
	16 Total. Add lines 9 through 15.			15	
	17 Investment expenses (attach schedule).			16	
	18 Total deductions. Add lines 16 and 17.			17	
	19 Subtract line 18 from line 8			18	
20 Dividends-received deduction (Schedule C, line 25)			19		
21 Taxable investment income. Subtract line 20 from line 19. Enter here and on page 1, line 2			20		

Part II—Invested Assets Book Values
(Complete only if claiming a deduction for general expenses allocated to investment income.)

		(a) Beginning of tax year	(b) End of tax year
22	Real estate		
23	Mortgage loans		
24	Collateral loans		
25	Policy loans, including premium notes		
26	Bonds of domestic corporations		
27	Stock of domestic corporations		
28	Government obligations, etc.		
29	Bank deposits bearing interest		
30	Other interest-bearing assets (attach schedule)		
31	Total. Add lines 22 through 30		
32	Add columns (a) and (b), line 31		32
33	Mean of invested assets for the tax year. Enter one-half of line 32		33
34	Multiply line 33 by .0025		34
35	Income base. Line 1b, column (a) plus line 8 less the sum of line 1b, column (b) and line 16		
36	Multiply line 33 by .0375		
37	Subtract line 36 from line 35. Do not enter less than zero		
38	Multiply line 37 by .25		38
39	Limitation on deduction for investment expenses. Add lines 34 and 38.		39

Schedule C Dividends and Special Deductions (See page 15 of instructions.)		Dividends-Received	
		(a) Subject to section 832(b)(5)(B)	(b) Total dividends-received
Income			
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	1	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	2	
3	Dividends on debt-financed stock of domestic and foreign corporations	3	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities . .	4	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities. . .	5	
6	Dividends on stock of certain less-than-20%-owned foreign corporations and certain FSCs.	6	
7	Dividends on stock of certain 20%-or-more-owned foreign corporations and certain FSCs.	7	
8	Dividends on stock of wholly owned foreign subsidiaries and FSCs	8	
9	Dividends from affiliated companies	9	
10	Other dividends from foreign corporations not included on lines 6, 7, and 8. . . .	10	
11	Income from controlled foreign corporations under subpart F (attach Forms 5471)	11	
12	Foreign dividend gross-up (section 78)	12	
13	Other dividends (attach schedule)	13	
14	Total dividends. Add lines 1 through 13. Enter here and on Schedule A, line 2, or Schedule B, line 2, whichever applies	14	
		Dividends-Received Deduction	
		(a) Subject to section 832(b)(5)(B)	(b) Total dividends-received deduction
Deduction			
15	Multiply line 1 by 70%	15	
16	Multiply line 2 by 80%	16	
17	Deduction for line 3 (see page 16 of instructions)	17	
18	Multiply line 4 by 42%	18	
19	Multiply line 5 by 48%	19	
20	Multiply line 6 by 70%	20	
21	Multiply line 7 by 80%	21	
22	Enter the amount from line 8.	22	
23	Total. Add lines 15 through 22. (See page 16 of instructions for limitation.) . . .	23	
24	Total. Add line 23, column (a), and line 9, column (a). Enter here and on Schedule F, line 10	24	
25	Total deductions. Add line 23, column (b), and line 9, column (b). Enter here and on Schedule A, line 36a, or Schedule B, line 20, whichever applies	25	

Schedule E Premiums Earned—Section 832 (See page 16 of instructions.)

1	Net premiums written			1		
2	Unearned premiums on outstanding business at the end of the preceding tax year:					
	a Enter 100% of life insurance reserves included in unearned premiums (section 832(b)(7)(A)) and all unearned premiums of section 833 organizations	2a				
	b Enter 90% of unearned premiums attributable to insuring certain securities	2b				
	c Discounted unearned premiums attributable to title insurance	2c				
	d Enter 80% of all other unearned premiums	2d				
	e Total. Add lines 2a through 2d				2e	
3	Total. Add lines 1 and 2e					3
4	Unearned premiums on outstanding business at the end of the current tax year:					
	a Enter 100% of life insurance reserves included in unearned premiums (section 832(b)(7)(A)) and all unearned premiums of section 833 organizations	4a				
	b Enter 90% of unearned premiums attributable to insuring certain securities	4b				
	c Discounted unearned premiums attributable to title insurance	4c				
	d Enter 80% of all other unearned premiums	4d				
	e Total. Add lines 4a through 4d					4e
5	Subtract line 4e from line 3					5
6	Transitional adjustments under section 832(b)(7)(D). (See page 17 of instructions.)					6
7	Premiums earned. Add lines 5 and 6. Enter here and on Schedule A, line 1.					7

Schedule F Losses Incurred—Section 832 (See page 17 of instructions.)

1	Losses paid during the tax year (attach schedule).					1
2	Balance outstanding at the end of the current tax year for:					
	a Unpaid losses on life insurance contracts	2a				
	b Discounted unpaid losses	2b				
	c Total. Add lines 2a and 2b					2c
3	Add lines 1 and 2c					3
4	Balance outstanding at the end of the preceding tax year for:					
	a Unpaid losses on life insurance contracts	4a				
	b Discounted unpaid losses	4b				
	c Total. Add lines 4a and 4b					4c
5	Subtract line 4c from line 3					5
6	Estimated salvage and reinsurance recoverable at the end of the preceding tax year					6
7	Estimated salvage and reinsurance recoverable at the end of the current tax year					7
8	Losses incurred (line 5 plus line 6 less line 7)					8
9	Tax-exempt interest subject to section 832(b)(5)(B)	9				
10	Dividends-received deduction subject to section 832(b)(5)(B) (Schedule C, line 24)	10				
11	The increase in policy cash value of section 264(f) policies as defined in section 805(a)(4)(F)	11				
12	Total. Add lines 9, 10, and 11.					12
13	Reduction of deduction under section 832(b)(5)(B). Multiply line 12 by .15					13
14	Losses incurred deductible under section 832(c)(4). Subtract line 13 from line 8. Enter here and on Schedule A, line 26.					14

Schedule G Other Capital Losses (See page 17 of instructions.)

(Capital assets sold or exchanged to meet abnormal insurance losses and to pay dividends and similar distributions to policyholders.)

1	Dividends and similar distributions paid to policyholders					1		
2	Losses paid					2		
3	Expenses paid					3		
4	Total. Add lines 1, 2, and 3					4		
Note. Adjust lines 5 through 8 to cash method if necessary.								
5	Interest received					5		
6	Dividends-received (Schedule C, line 14)					6		
7	Gross rents, gross royalties, lease income, etc., and gross income from a trade or business other than an insurance business including income from Form 4797 (include gains for invested assets only)					7		
8	Net premiums received					8		
9	Total. Add lines 5 through 8					9		
10	Limitation on gross receipts from sales of capital assets. Line 4 less line 9. If zero or less, enter -0-					10		

(a) Description of capital asset	(b) Date acquired	(c) Gross sales price	(d) Cost or other basis	(e) Expense of sale	(f) Depreciation allowed (or allowable)	(g) Loss ((d) plus (e) less the sum of (c) and (f))
11						
12	Totals—column (c) must not be more than line 10. (Enter amount from column (g) in Schedule A, line 28, or Schedule B, line 15, whichever applies)					

Schedule H Special Deduction And Ending Adjusted Surplus for Section 833 Organizations (See page 18 of instructions.)

1	Health care claims incurred during the tax year and liabilities incurred during the tax year under cost-plus contracts					1		
2	Expenses incurred during the tax year in connection with the administration, adjustment, or settlement of health care claims or in connection with the administration of cost-plus contracts					2		
3	Total. Add lines 1 and 2					3		
4	Multiply line 3 by .25					4		
5	Beginning adjusted surplus					5		
6	Special deduction. Subtract line 5 from line 4. If zero or less, enter -0-. Enter here and on Schedule A, line 34a. (See page 18 of instructions for limitation.)					6		
7	Net operating loss deduction (Schedule A, line 36b)					7		
8	Net exempt income:							
a	Adjusted tax-exempt income					8a		
b	Adjusted dividends-received deduction					8b		
9	Taxable income (Schedule A, line 37)					9		
10	Ending adjusted surplus. Add lines 5 through 9					10		

Schedule I Other Information (See page 18 of instructions.)

	Yes	No		Yes	No
<p>1 Check method of accounting:</p> <p>a <input type="checkbox"/> Cash</p> <p>b <input type="checkbox"/> Accrual</p> <p>c <input type="checkbox"/> Other (specify) ▶</p>			<p>c The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached ▶</p>		
<p>2 Check box for kind of company:</p> <p>a <input type="checkbox"/> Mutual</p> <p>b <input type="checkbox"/> Stock</p>			<p>7 Has the corporation elected to use its own payout pattern for discounting unpaid losses and unpaid loss adjustment expenses?</p>		
<p>3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c.)</p> <p>If "Yes," attach a schedule showing:</p> <p>(a) name and Employer identification number (EIN);</p> <p>(b) percentage owned; and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.</p>			<p>8a Enter the total unpaid losses shown on the corporation's annual statement:</p> <p>(1) for the current tax year: \$ _____</p> <p>(2) for the previous tax year: \$ _____</p> <p>b Enter the total unpaid loss adjustment expenses shown on the corporation's annual statement:</p> <p>(1) for the current tax year: \$ _____</p> <p>(2) for the previous tax year: \$ _____</p>		
<p>4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?</p> <p>If "Yes," enter name and EIN of the parent corporation ▶</p> <p>.....</p>			<p>9 Does the corporation discount any of the loss reserves shown on its annual statement?</p> <p>10 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____</p> <p>11 If the corporation has an NOL for the tax year and is electing to forgo the carryback period, check here ▶ <input type="checkbox"/></p> <p>If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3)(i) or (ii) must be attached or the election will not be valid.</p>		
<p>5 At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c.)</p> <p>If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.)</p> <p>Enter percentage owned ▶</p>			<p>12 Enter the available NOL carryover from prior tax years. (Do not reduce it by any deduction on line 36b, Schedule A.) . . ▶ \$ _____</p>		
<p>6 At anytime during the tax year, did one foreign person own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation? If "Yes," enter:</p> <p>a Percentage owned ▶ and b Owner's country ▶</p>					

Note. If the corporation had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120), Foreign Operations of U.S. Corporations**, to this return. See Schedule N for details.

Schedule L Balance Sheets per Books (All filers are required to complete this schedule.)

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts	()		()	
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see page 19 of instructions)				
6 Other current assets (attach schedule)				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach schedule)				
10a Buildings and other depreciable assets				
b Less accumulated depreciation	()		()	
11a Depletable assets				
b Less accumulated depletion	()		()	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	()		()	
14 Other assets (attach schedule)				
15 Total assets				
Liabilities and Shareholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Insurance liabilities (See page 19 of instructions)				
19 Other current liabilities (attach schedule)				
20 Loans from shareholders				
21 Mortgages, notes, bonds payable in 1 year or more				
22 Other liabilities (attach schedule)				
23 Capital stock: a Preferred stock				
b Common stock				
24 Additional paid-in capital				
25 Retained earnings—Appropriated (attach schedule)				
26 Retained earnings—Unappropriated				
27 Adjustments to shareholders' equity (attach schedule)				
28 Less cost of treasury stock		()		()
29 Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books with Income per Return (See page 19 of instructions.)

(The corporation is not required to complete Schedules M-1 and M-2 below if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1 Net income (loss) per books		7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax per books		a Tax-exempt interest \$	
3 Excess of capital losses over capital gains		
4 Income subject to tax not recorded on books this year (itemize)		8 Deductions in this tax return not charged against book income this year (itemize)	
5 Expenses recorded on books this year not deducted in this return (itemize)		a Depreciation \$	
a Depreciation \$		b Charitable contributions \$	
b Charitable contributions \$	
c Travel and entertainment \$		9 Add lines 7 and 8	
.....		10 Income (Schedule A, line 35)—	
6 Add lines 1 through 5		subtract line 9 from line 6	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (line 26, Schedule L)

1 Balance at beginning of year		5 Distributions: a Cash	
2 Net income (loss) per books		b Stock	
3 Other increases (itemize)		c Property	
.....		6 Other decreases (itemize)	
.....		7 Add lines 5 and 6	
4 Add lines 1, 2, and 3		8 Balance at end of year (subtract line 7 from line 4)	

