

SCHEDULE M-3  
(Form 1120-L)

Department of the Treasury  
Internal Revenue Service

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

► Attach to Form 1120-L.

► Information about Schedule M-3 (Form 1120-L) and its separate instructions is at [www.irs.gov/form1120l](http://www.irs.gov/form1120l).

OMB No. 1545-0123

2015

Name of corporation (common parent, if consolidated return)

Employer identification number

Check applicable box(es): (1) ☐ Non-consolidated return (2) ☐ Consolidated return (Form 1120-L only)  
(3) ☐ Mixed 1120/L/PC group (4) ☐ Dormant subsidiaries schedule attached

**Part I** Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 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. See instructions if multiple non-tax-basis income statements are prepared.
- b** Did the corporation prepare a certified audited non-tax-basis 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 a non-tax-basis 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 4a.
- 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 4a.
- b** Enter the symbol of the corporation's primary U.S. publicly traded voting common stock
- c** Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock . . . . .

<b>4a</b> Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 . . . . .	<b>4a</b>	
<b>b</b> Indicate accounting standard used for line 4a (see instructions): (1) <input type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Other (specify) _____		
<b>5a</b> Net income from nonincludible foreign entities (attach statement) . . . . .	<b>5a</b>	( )
<b>b</b> Net loss from nonincludible foreign entities (attach statement and enter as a positive amount) . . . . .	<b>5b</b>	
<b>6a</b> Net income from nonincludible U.S. entities (attach statement) . . . . .	<b>6a</b>	( )
<b>b</b> Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount) . . . . .	<b>6b</b>	
<b>7a</b> Net income (loss) of other includible foreign disregarded entities (attach statement) . . . . .	<b>7a</b>	
<b>b</b> Net income (loss) of other includible U.S. disregarded entities (attach statement) . . . . .	<b>7b</b>	
<b>c</b> Net income (loss) of other includible corporations (attach statement) . . . . .	<b>7c</b>	
<b>8</b> Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement) . . . . .	<b>8</b>	
<b>9</b> Adjustment to reconcile income statement period to tax year (attach statement) . . . . .	<b>9</b>	
<b>10a</b> Intercompany dividend adjustments to reconcile to line 11 (attach statement) . . . . .	<b>10a</b>	
<b>b</b> Other statutory accounting adjustments to reconcile to line 11 (attach statement) . . . . .	<b>10b</b>	
<b>c</b> Other adjustments to reconcile to amount on line 11 (attach statement) . . . . .	<b>10c</b>	
<b>11</b> <b>Net income (loss) per income statement of includible corporations.</b> Combine lines 4a through 10c <b>Note:</b> Part I, line 11, must equal the amount on Part II, line 30, column (a).	<b>11</b>	
<b>12</b> Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.		

	Total Assets	Total Liabilities
<b>a</b> Included on Part I, line 4 . . . . . ►		
<b>b</b> Removed on Part I, line 5 . . . . . ►		
<b>c</b> Removed on Part I, line 6 . . . . . ►		
<b>d</b> Included on Part I, line 7 . . . . . ►		

Name of corporation (common parent, if consolidated return)

Employer identification number

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120-L group (7) ☐ 1120-L eliminations

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** (see instructions)

Income (Loss) Items (Attach statements for lines 1 through 11)		(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
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 . . . . .				
10	Income (loss) from foreign partnerships . . . . .				
11	Income (loss) from other pass-through entities . . . . .				
12	Items relating to reportable transactions (attach statement) . . . . .				
13	Interest income (attach Form 8916-A) . . . . .				
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 . . . . .				
22	Market discount reclassification . . . . .				
23a	Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than pass-through entities . . . . .				
b	Gross capital gains from Schedule D, excluding amounts from pass-through entities . . . . .				
c	Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses . . . . .				
d	Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses . . . . .				
e	Abandonment losses . . . . .				
f	Worthless stock losses (attach statement) . . . . .				
g	Other gain/loss on disposition of assets . . . . .				
24	Capital loss limitation and carryforward used . . . . .				
25	Other income (loss) items with differences (attach statement)				
26	<b>Total income (loss) items.</b> Combine lines 1 through 25				
27	<b>Total expense/deduction items</b> (from Part III, line 41)				
28	Other items with no differences . . . . .				
29a	Mixed groups, see instructions. All others, combine lines 26 through 28 . . . . .				
b	1120 subgroup reconciliation totals . . . . .				
c	PC insurance subgroup reconciliation totals . . . . .				
30	<b>Reconciliation totals.</b> Combine lines 29a through 29c				

**Note:** Line 30, column (a) must equal the amount on Part I, line 11, and column (d) must equal Form 1120-L, page 1, line 20.

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Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120-L group (7) ☐ 1120-L eliminations

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** (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
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 statement)				
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 (attach Form 8916-A) . . . . .				
37 Domestic production activities deduction . . . . .				
38 Research and development costs . . . . .				
39 Section 118 exclusion (attach statement) . . . . .				
40 Other expense/deduction items with differences (attach statement)				
41 <b>Total expense/deduction items.</b> Combine lines 1 through 40. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive . . . . .				