2013

Assets Transferred from Parent Corporation to Insurance Company Subsidiary

CALIFORNIA FORM

3725

If "Yes," enter the company's name, California corporation number, and/or FEIN (see instructions), then continue with line 2. If "No," do not complete this form. Insurance company use the assets it received from its parent corporation in active conduct of a trade or business of the insurance company use the assets it received from its parent corporation in active conduct of a trade or business of the insurance company use the assets it received from its parent corporation in active conduct of a trade or business of the insurance company use the assets it received from its parent corporation in active conduct of a trade or business of the insurance company use the assets it received from its parent corporation in active conduct of a trade or business of the insurance company to the conditional sheets if necessary. [An action B - Short-Information on Disposition of Properties 1		ch to Form 100 or I	Form 100W.							10.11			
text I. Assets Transferred from Parent Corporation to Insurance Company Subsidiary ection A - Information on Properties Transferred I. Were appreciated properties transferred to an insurance company subsidiary? If "Yes," enter the company's name, California corporation number, and/or FEIN (see instructions), then continue with line 2. If "No," do not complete this form. Insurance company name California corporation FEIN	Parei	nt corporation name								Californi	ia corporation number		
text I. Assets Transferred from Parent Corporation to Insurance Company Subsidiary ection A - Information on Properties Transferred I. Were appreciated properties transferred to an insurance company subsidiary? If "Yes," enter the company's name, California corporation number, and/or FEIN (see instructions), then continue with line 2. If "No," do not complete this form. Insurance company name California corporation FEIN										EEINI			
art II Assets Transferred from Insurance Company to Other Companies estion A — Information on Disposition of Properties 4 Does the insurance company still use the assets listed in Part I, Section B, in its active conduct of trade or business? (e) less (f) EVES, "corporation son trequired to complete Part II (insurance company still use the assets listed in Part I, Section B, in its active conduct of trade or business? (e) less (f) EVES, "conformation on Disposition of Properties 4 Does the insurance company still use the assets listed in Part I, Section B, in its active conduct of trade or business? (e) less (f) If "Yes," conformation on Disposition of Properties 4 Does the insurance company still use the assets listed in Part I, Section B or Section C. If "No," go to line 5. Did the insurance company still use the assets listed in Part I, Section B or Section C. If "No," go to line 5. Did the insurance company still use the assets listed in Part I, Section B or Section C. If "Yes," go to line 6. If "No," gain is taxable, go to Section B or Section C. If "Yes," gain is non-taxable. If "No," gain is taxable, go to Section B or Section C. If "Yes," gain is non-taxable. If "No," gain is taxable, go to Section B or Section C. If "Yes," gain is non-taxable. If "No," gain is taxable, go to Section B or Section C. If "Yes," gain is non-taxable. If "No," gain is taxable, go to Section B or Section C. If "Yes," gain is non-taxable. If "No," gain is taxable, go to Section B or Section C. If are market value as the section C. If "Yes," gain is non-taxable. If "No," gain is taxable, go to Section B or Section C. If are market value as the section C. If "Yes," gain is non-taxable. If "No," gain is taxable, go to Section B or Section C. If are market value as the section C. If yes and the property of the section C. If yes and the property of the pr										FEIIN —			
Tweeting A - Information on Properties Transferred If "Yes," continue with Section B. If "No," go to Part II. California corporation PEIN Properties Pr	Par	t I Assets Trans	sferred from Parent	Cornoration to Insura	nce Comn	any Subsid	liarv						
Were appreciated properties transferred to an insurance company subsidiary?						<u>,</u>	,						
If "Yes," enter the company's name, California corporation number, and/or FEIN (see instructions), then continue with line 2. If "No," do not complete this form. Insurance company name			•		nnany subs	sidiary?					Yes No		
Does the insurance company use the assets it received from its parent corporation in active conduct of a trade or business of the insurer?		If "Yes," enter the company's name, California corporation number, and/or FEIN (see instructions), then continue with line 2. If "No," do not											
Does the insurance company use the assets it received from its parent corporation in active conduct of a trade or business of the insurer?		Insurance company name California corporation								FEIN			
or business of the insurer?								number		_			
or business of the insurer?	2	Does the insuranc	e company use the a	ssets it received from	its parent	corporation	n in active	conduct of	a trade				
Taxable year Description of property Description of properties Description of Description of Properties Description of Description of Properties Description of Desc											\Box		
Taxable year Description of property Description of Description		If "Yes," continue	with Section B. If "I	lo, " go to Part II.									
Taxable year Description of property Description of Part II Assets Transferred from Insurance Company to Other Companies Assets Transferred from Insurance Company to Other Companies	Sect							, ,	(0)				
art II Assets Transferred from Insurance Company to Other Companies A Does the insurance company still use the assets listed in Part I, Section B, in its active conduct of trade or business? Yes No. If "Yes," corporation is not required to complete Part II, Section B or Section C. If "No," go to line 5. Did the insurance company dispose of any assets received from the parent corporation? Yes No. If "Yes," go to line 6. If "No," gain is taxable, go to Section B or Section C. Did the insurance company sell the assets to another company within the combined reporting group? Yes No. If "Yes," gain is non-taxable. If "No," gain is taxable, go to Section B or Section C. Section B - Short-Term Capital Gains and Losses-Assets Held One Year or Less. Use additional sheets if necessary. (a) (b) (c) (c) (f) (a) (d) (e) (c) (f) (a) (d) (e) (f) (a) (f) (f) (f) (f) (f) (f) (f) (f) (f) (f	1	(a) Taxable year	Description of	Location of	Date transferred		Fair market value at		Cost or		Amount of gain deferred under R&TC Section 24465		
Assets Transferred from Insurance Company to Other Companies	3										(0) 1033 (1)		
A Does the insurance company still use the assets listed in Part I, Section B, in its active conduct of trade or business?													
A Does the insurance company still use the assets listed in Part I, Section B, in its active conduct of trade or business?													
A Does the insurance company still use the assets listed in Part I, Section B, in its active conduct of trade or business?													
A Does the insurance company still use the assets listed in Part I, Section B, in its active conduct of trade or business?													
A Does the insurance company still use the assets listed in Part I, Section B, in its active conduct of trade or business?													
A Does the insurance company still use the assets listed in Part I, Section B, in its active conduct of trade or business?													
A Does the insurance company still use the assets listed in Part I, Section B, in its active conduct of trade or business?													
A Does the insurance company still use the assets listed in Part I, Section B, in its active conduct of trade or business?	Dor	t II Accete Tran	eformed from Incura	noo Compony to Otho	r Componi	ioc							
A Does the insurance company still use the assets listed in Part I, Section B, in its active conduct of trade or business? If "Yes," corporation is not required to complete Part II, Section B or Section C. If "No," go to line 5. Did the insurance company dispose of any assets received from the parent corporation? If "Yes," go to line 6. If "No," gain is taxable, go to Section B or Section C. Did the insurance company sell the assets to another company within the combined reporting group? If "Yes," gain is non-taxable. If "No," gain is taxable, go to Section B or Section C. Section B – Short-Term Capital Gains and Losses-Assets Held One Year or Less. Use additional sheets if necessary. (a) Taxable year Description of property D					i Guiipaiii	163							
If "Yes," corporation is not required to complete Part II, Section B or Section C. If "No," go to line 5. 5 Did the insurance company dispose of any assets received from the parent corporation?	4		•		rt I. Section	n R in its a	rtive condu	ıct of trade	or husiness?		□ Ves □ No		
Did the insurance company dispose of any assets received from the parent corporation?	7								or business:		🗀 103 🗀 100		
Did the insurance company sell the assets to another company within the combined reporting group?	5										🗆 Yes 🗆 No		
If "Yes," gain is non-taxable. If "No," gain is taxable, go to Section B or Section C. section B — Short-Term Capital Gains and Losses-Assets Held One Year or Less. Use additional sheets if necessary. (a) (b) (c) Date of disposal (mm/dd/yyyy) Fair market value or gross sales price other basis (d) less (e) 7													
ection B – Short-Term Capital Gains and Losses-Assets Held One Year or Less. Use additional sheets if necessary. (a) (b) (c) (d) (e) (ost or other basis) Taxable year Description of property (mm/dd/yyyy) 7	6							ig group? .			∐ Yes ∐ No		
Taxable year Description of property Date of disposal (mm/dd/yyyy) Fair market value or gross sales price Other basis (d) less (e)			-										
property (mm/dd/yyyy) or gross sales price other basis (d) less (e) 7	Sect							sheets if ne	-		(5)		
		Taxable year		f Date of dis (mm/dd/y	posal 'yyy)	Fair ma or gross	rket value sales price		Cost or		Gain (loss) (d) less (e)		
	7												
Chart town control using (larges) Tatal amounts in a large (f) Fatal are and a Farm 400 Fatal are and a Fatal are a Fatal are and a Fatal are and a Fatal are a													
Chart town control using (locase) Tatal amounts in a local (f) Fata barrant as Farm 400 Fata barrant as Fata barran													
Chart town control using (losses) Tatal amounts in a low (f) Fatal town and a Fatal ACC Fatal College (losses)													
Chart town control using (losses) Tatal amounts in a law (f) Fata barrant as Farm 100 Fata barrant as Farm 100 Fata barrant as Farm 100 Fata barrant as Fata b													
Chart town control using (leaves) Tatal amounts in a law (f) Fata have and a Fatal ACC Fatal Control C					_								
Chart town control using (leaves) Total amounts in a leave (f) Fata beautiful from 100 Fata beautiful													
the the terms against the time (leases). Lake a secondaria and common (f). Forting to the common 400 F 400 H 0' I 0 I	_	•			(0) =				2014/ 21: -				
Short-term capital gains (losses). Total amounts in column (f). Enter here and on Form 100 or Form 100W, Side 6, Schedule D, Part I, line 1, column (f) or Schedule D (100S), Section A or Section B, Part I, line 1, column (f).	8	•	- '		` '								
Schedule D, Part I, line 1, column (i) of Schedule D (1005), Section A of Section B, Part I, line 1, column (i). See instructions				, , , ,									

(a) Taxable year	(b) Description of	(c) Date of disposal	(d) Fair market value	(e) Cost or	(f) Gain (loss)
raxable year	property	(mm/dd/yyyy)	or gross sales price	other basis	(d) less (e)

Long-term capital gains (losses). Total amounts in column (f). Enter here and on Form 100 or Form 100W, Side 6, Schedule D, Part II, line 5, column (f) or Schedule D (100S), Section A or Section B, Part II, line 4, column (f). See instructions

General Information

A Purpose

Use form FTB 3725, Assets Transferred from Parent Corporation to Insurance Company Subsidiary, to track the assets transferred from a parent corporation to an insurance company subsidiary. In addition, use this form to figure capital gains (losses) if the parent corporation transferred assets to an insurance company subsidiary beginning on or after June 23, 2004.

California Revenue and Taxation Code (R&TC) Section 24465 provides that when a parent corporation transfers appreciated property to an insurance company subsidiary, the gain is deferred if the property transferred to the insurer is used in the active conduct of a trade or business of the insurer. The gain must be recognized as income if any of the following apply:

- The transferred property is no longer owned by an insurer in the taxpayer's commonly controlled group (or a member of the taxpayer's combined reporting group).
- The property is no longer used in the active conduct of the insurer's trade or business (or the trade or business of another member in the taxpayer's combined reporting group).
- The holder of the property is no longer held by an insurer in the commonly controlled group of the transferor (or a member of the taxpayer's combined reporting group).

R&TC Section 24465 applies to transactions entered into on or after June 23, 2004. For more information, refer to R&TC Section 24465.

Note: In completing this form, the "transferor" of the appreciated property can be a parent corporation or other taxpayer (or a member of the taxpayer's combined reporting group).

B Definitions

 Appreciated property – Appreciated property means property whose fair market value (FMV), as of the date of the transfer, exceeds its adjusted basis as of that date. Commonly controlled group – Commonly controlled group exists when stock possessing more than 50% of the voting power is owned, or constructively owned, by a common parent corporation (or chains of corporations connected through the common parent) or by members of the same family, see R&TC Section 25105. Also, a commonly controlled group includes corporations that are stapled entities, see R&TC Section 25105(b)(3). Special rules are provided in R&TC Section 25105 for partnerships, trusts, and transfers of voting power by proxy, voting trust, written shareholder agreement, etc.

Specific Line Instructions

Part I – Assets Transferred from Parent Corporation to Insurance Company Subsidiary

Section A – Information on Properties Transferred

Line 1 – Enter the insurance company's California corporation number or federal employer identification number (FEIN). If the insurance company does not have one of these numbers, enter "not applicable" and continue with line 2.

Section B – Deferred Capital Gains

Line 3, column (b) – Description of property.Describe the assets the parent corporation transferred to an insurance company subsidiary.

Line 3, column (e) – Fair market value at date of transfer. FMV is the price that the property would sell for in the open market.

Line 3, column (f) – Cost or other basis. In general, the cost or other basis is the cost of the property plus purchase commissions and improvements minus depreciation, amortization, and depletion. Enter the cost or adjusted basis of the asset for California purpose.

Part II – Assets Transferred from Insurance Company to Other Companies

Section B – Short-Term Capital Gains and Losses- Assets Held One Year or Less and

Section C – Long-Term Capital Gains and Losses-Assets Held More Than One Year

Report short-term **or** long-term capital gains (losses) based on the length of time the parent corporation held the assets.

Line 7 and Line 9, column (b) – Description of property. Describe the assets that the insurance company sells to another company; or the transferred assets that the insurance company does not use in its active trade or business.

Line 7 and Line 9, column (d) – Fair market value or gross sales price. Enter the FMV of the assets as of the date that the insurance company no longer uses the assets in its active trade or business. Or, enter the gross sales price of the assets if the insurance company sells the assets to another company.

Line 8 – Short-term capital gains (losses). Total amounts in column (f). Enter total short-term capital gains (losses) here and on Form 100 or Form 100W, Side 6, Schedule D, Part I, line 1, column (f) or Schedule D (100S), Section A or Section B, Part I, line 1, column (f). Write on Schedule D, under column (a) Description of property: "FTB 3725" and attach a copy of form FTB 3725 to the tax return.

Line 10 – Long-term capital gains (losses).

Total amounts in column (f). Enter total long-term capital gains (losses) here and on Form 100 or Form 100W, Side 6, Schedule D, Part II, line 5, column (f) or Schedule D (100S), Section A or Section B, Part II, line 4, column (f). Write on Schedule D, under column (a) Description of property: "FTB 3725" and attach a copy of form FTB 3725 to the tax return.