

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

(Rev. December 2021)
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.

▶ Go to www.irs.gov/Form1120L for instructions and the latest information.

OMB No. 1545-0123

| | |
|---|--------------------------------|
| Name of corporation (common parent, if consolidated return) | Employer identification number |
|---|--------------------------------|

- Check applicable box(es):
- | | |
|---|--|
| (1) <input type="checkbox"/> Non-consolidated return | (2) <input type="checkbox"/> Consolidated return (Form 1120-L only) |
| (3) <input type="checkbox"/> Mixed 1120/L/PC group | (4) <input type="checkbox"/> 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

| | | |
|---|------------|-----|
| 4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 | 4a | |
| 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) _____ | | |
| 5a Net income from nonincludible foreign entities (attach statement) | 5a | () |
| b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount) | 5b | |
| 6a Net income from nonincludible U.S. entities (attach statement) | 6a | () |
| b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount) | 6b | |
| 7a Net income (loss) of other includible foreign disregarded entities (attach statement) | 7a | |
| b Net income (loss) of other includible U.S. disregarded entities (attach statement) | 7b | |
| c Net income (loss) of other includible corporations (attach statement) | 7c | |
| 8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement) | 8 | |
| 9 Adjustment to reconcile income statement period to tax year (attach statement) | 9 | |
| 10a Intercompany dividend adjustments to reconcile to line 11 (attach statement) | 10a | |
| b Other statutory accounting adjustments to reconcile to line 11 (attach statement) | 10b | |
| c Other adjustments to reconcile to amount on line 11 (attach statement) | 10c | |
| 11 Net income (loss) per income statement of includible corporations. Combine lines 4a through 10c | 11 | |

Note: Part I, line 11, must equal the amount on Part II, line 30, column (a).

12 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 |
|-------------------------------------|--------------|-------------------|
| a Included on Part I, line 4 | | |
| b Removed on Part I, line 5 | | |
| c Removed on Part I, line 6 | | |
| d Included on Part I, line 7 | | |

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|--|--------------------------------|
| Name of corporation (common parent, if consolidated return) | Employer identification number |
| Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group | |
| Check if a sub-consolidated: (6) <input type="checkbox"/> 1120-L group (7) <input type="checkbox"/> 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 Gross-up for foreign taxes deemed paid | | | | |
| 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 Total income (loss) items. Combine lines 1 through 25 | | | | |
| 27 Total expense/deduction items (from Part III, line 40) | | | | |
| 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 Reconciliation totals. 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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|---|--------------------------------|
| Name of corporation (common parent, if consolidated return) | Employer identification number |
| Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group | |
| Check if a sub-consolidated: (6) <input type="checkbox"/> 1120-L group (7) <input type="checkbox"/> 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)

| | (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) and Reserve Transition Relief adjustments for change in computing reserves (see instructions) | | | | |
| 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 Research and development costs | | | | |
| 38 Section 118 exclusion (attach statement) | | | | |
| 39 Other expense/deduction items with differences (attach statement) | | | | |
| 40 Total expense/deduction items. Combine lines 1 through 39. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | | | | |