

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

<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>11</b>	

**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
<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) <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 <b>Total income (loss) items.</b> Combine lines 1 through 25				
27 <b>Total expense/deduction items</b> (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 <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) <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
<b>1</b> U.S. current income tax expense . . . . .				
<b>2</b> U.S. deferred income tax expense . . . . .				
<b>3</b> State and local current income tax expense . . . . .				
<b>4</b> State and local deferred income tax expense . . . . .				
<b>5</b> Foreign current income tax expense (other than foreign withholding taxes) . . . . .				
<b>6</b> Foreign deferred income tax expense . . . . .				
<b>7</b> Foreign withholding taxes . . . . .				
<b>8</b> Equity-based compensation . . . . .				
<b>9</b> Capitalization of deferred acquisition costs . . . . .				
<b>10</b> Amortization of deferred acquisition costs . . . . .				
<b>11</b> Meals and entertainment . . . . .				
<b>12</b> Fines and penalties . . . . .				
<b>13</b> Judgments, damages, awards, and similar costs . . . . .				
<b>14</b> Parachute payments . . . . .				
<b>15</b> Compensation with section 162(m) limitation . . . . .				
<b>16</b> Pension and profit-sharing . . . . .				
<b>17</b> Other post-retirement benefits . . . . .				
<b>18</b> Deferred compensation . . . . .				
<b>19</b> Charitable contribution of cash and tangible property . . . . .				
<b>20</b> Charitable contribution of intangible property . . . . .				
<b>21</b> Charitable contribution limitation/carryforward . . . . .				
<b>22</b> Change in section 807(c)(1) tax reserves . . . . .				
<b>23</b> Change in section 807(c)(2) tax reserves . . . . .				
<b>24</b> Change in all other section 807(c) tax reserves . . . . .				
<b>25</b> Section 807(f) and Reserve Transition Relief adjustments for change in computing reserves (see instructions) . . . . .				
<b>26</b> Section 807(a)(2)(B) tax reserve amount with respect to policyholder share of tax-exempt interest . . . . .				
<b>27</b> Current year acquisition/reorganization costs (attach statement)				
<b>28</b> Amortization of acquisition, reorganization, and start-up costs				
<b>29</b> Amortization/impairment of goodwill, insurance in force, and ceding commissions . . . . .				
<b>30</b> Other amortization or impairment write-offs . . . . .				
<b>31</b> Section 846 amount . . . . .				
<b>32</b> Depreciation . . . . .				
<b>33</b> Bad debt expense/agency balances written off . . . . .				
<b>34</b> Corporate-owned life insurance premiums . . . . .				
<b>35</b> Purchase versus lease (for purchasers and/or lessees)				
<b>36</b> Interest expense (attach Form 8916-A) . . . . .				
<b>37</b> Research and development costs . . . . .				
<b>38</b> Section 118 exclusion (attach statement) . . . . .				
<b>39</b> Other expense/deduction items with differences (attach statement)				
<b>40 Total expense/deduction items.</b> Combine lines 1 through 39. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive . . . . .				