



2615 Centennial Blvd., Suite 200  
Tallahassee, FL 32308  
850-668-8100

Life Insurance Company of Alabama  
Instructions for Filing  
Form 1120-L  
U.S. Life Insurance Company Income Tax Return  
for the year ended December 31, 2016

The original return should be signed (using full name and title) and dated on page one by an authorized officer of the corporation.

The signed return should be filed on or before October 16, 2017 with the following:

Department of the Treasury  
Internal Revenue Service Center  
Ogden, UT 84201-0012

This return indicates a \$211,419 overpayment. Of this amount, \$0 will be refunded to you and \$211,419 has been applied to your 2017 estimated tax.

To document the timely filing of your tax return(s), we suggest that you obtain and retain proof of mailing. Proof of mailing can be accomplished by sending the tax return(s) by registered or certified mail (metered by the U.S. Postal Service) or through the use of an IRS approved delivery method provided by an IRS designated private delivery service.

**U.S. Life Insurance Company Income Tax Return**

**2016**

For calendar year 2016 or tax year beginning \_\_\_\_\_, 2016, ending \_\_\_\_\_, 20\_\_\_\_\_

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

<b>A</b> Check if: 1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Life-nonlife consolidated return <input type="checkbox"/> 3 Schedule M-3 (Form 1120-L) attached <input checked="" type="checkbox"/>	<b>Please print or type</b>	Name <b>LIFE INSURANCE COMPANY OF ALABAMA</b> Number, street, and room or suite no. If a P.O. box, see instructions. <b>P.O. BOX 349</b> City or town, state or province, country, and ZIP or foreign postal code <b>GADSDEN, AL 35902</b>	<b>B Employer identification number</b> <b>63-0321291</b> <b>C Date incorporated</b> <b>07/28/1952</b> <b>D Check applicable box if an election has been made under section(s):</b> 953(c)(3)(C) <input type="checkbox"/> 953(d) <input type="checkbox"/>
<b>E</b> Check if: (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Name change (3) <input type="checkbox"/> Address change (4) <input type="checkbox"/> Amended return <input type="checkbox"/>			

<b>Income</b>	1 Gross premiums, etc., less return premiums, etc. Enter balance . . . . . 2 Net decrease, if any, in reserves (see instructions) . . . . . 3 10% of any decrease in reserves under section 807(f)(1)(B)(ii) . . . . . 4 Investment income (Schedule B, line 8) (see instructions) . . . . . 5 Net capital gain (Schedule D (Form 1120), line 17) . . . . . 6 Income from a special loss discount account (attach Form 8816) . . . . . 7 Other income (attach statement) . . . . . <b>SEE STATEMENT. 1.</b> 8 Life insurance company gross income. Add lines 1 through 7. . . . .	1 35,825,165. 2 3 4 5,447,364. 5 278,099. 6 7 14,647. 8 41,565,275.
<b>Deductions</b> <small>(See instructions for limitations on deductions.)</small>	9 Death benefits, etc. . . . . 10 Net increase, if any, in reserves (Schedule F, line 35) . . . . . 11 10% of any increase in reserves under section 807(f)(1)(B)(i) . . . . . 12 Deductible policyholder dividends (Schedule F, line 18e) . . . . . 13 Assumption by another person of liabilities under insurance, etc., contracts . . . . . 14 Dividends reimbursable by taxpayer . . . . . 15a Interest ► _____ b Less tax-exempt interest expense _____ c Bal ► 16 Deductible policy acquisition expenses (Schedule G, line 20) . . . . . 17 Additional deduction (attach Form 8816) . . . . . 18 Other deductions (see instructions) (attach statement) . . . . . <b>SEE STATEMENT. 1.</b> 19 Add lines 9 through 18 . . . . . 20 <b>Subtotal.</b> Subtract line 19 from line 8 . . . . . 21a Dividends-received deduction (Schedule A, line 16, column (c)) . . . . . <b>21a</b> 31,384. Plus: b Operations loss deduction (see instructions) (attach statement) <b>21b</b> 21c 31,384. 22 Gain or (loss) from operations. Subtract line 21c from line 20. . . . . 23 Small life insurance company deduction (Schedule H, line 17) . . . . . 24 Life insurance company taxable income (LICTI). Subtract line 23 from line 22 . . . . . 25 Limitation on noninsurance losses (Schedule I, line 9) . . . . . <b>NONE</b> 26 Amount subtracted from policyholders surplus account (Schedule J, Part II, line 10) . . . . . <b>NONE</b>	9 10 1,163,047. 11 12 16,844. 13 14 15c 16 2,875,824. 17 18 15,164,330. 19 38,612,710. 20 2,952,565. 21c 31,384. 22 2,921,181. 23 1,752,709. 24 1,168,472. 25 <b>NONE</b> 26 <b>NONE</b>
<b>Tax and Payments</b>	27 <b>Taxable income.</b> Add lines 24, 25, and 26 (see instructions) . . . . . 28 <b>Total tax</b> (Schedule K, line 10) . . . . . 29a 2015 overpayment credited to 2016 . . . . . <b>29a</b> 148,597. b Prior year(s) special estimated tax payments to be applied <b>29b</b> c 2016 estimated tax payments . . . . . <b>29c</b> 573,000. d 2016 special estimated tax payments (Do not include on line 29f) . . . . . <b>29d</b> e Less 2016 refund applied for on Form 4466 . . . . . <b>29e</b> ( ) <b>29f</b> 721,597. g Tax deposited with Form 7004 . . . . . <b>29g</b> <b>NONE</b> h Credits: (1) Form 2439 _____ (2) Form 4136 _____ <b>29h</b> i U.S. income tax paid or withheld at source (attach Form 1042-S) . . . . . <b>29i</b> j Refundable credit from Form 8827, line 8c . . . . . <b>29j</b> 29k 721,597. 30 Estimated tax penalty. Check if Form 2220 is attached <input type="checkbox"/> <b>30</b> 31 <b>Amount owed.</b> If line 29k is smaller than the total of lines 28 and 30, enter amount owed . . . . . <b>31</b> 32 <b>Overpayment.</b> If line 29k is larger than the total of lines 28 and 30, enter amount overpaid . . . . . <b>32</b> 211,419. 33 Enter amount from line 32: <b>Credited to 2017 estimated tax</b> ► 211,419. <b>Refunded</b> ► <b>33</b>	27 1,168,472. 28 510,178. 29a 29c 573,000. 29f 721,597. 29g <b>NONE</b> 29k 721,597. 30 31 32 211,419. 33

**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. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____	Date _____	Title _____	May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>CANITA G PETERSON</b>	Preparer's signature _____	Date _____	Check <input type="checkbox"/> if self-employed	PTIN <b>P00218122</b>
	Firm's name ► <b>THOMAS HOWELL FERGUSON P.A.</b>			Firm's EIN ► <b>59-3186310</b>	
	Firm's address ► <b>2615 CENTENNIAL BLVD., SUITE 200 TALLAHASSEE, FL32308</b>			Phone no. _____	

**Schedule A Dividend Income and Dividends-Received Deduction (see instructions)**

Dividends subject to proration		(a) Dividends received	(b) %	(c) Deduction (a times (b))
1	Domestic corporations, less-than-20%-owned (other than debt-financed stock)	114,645.	70	80,252.
2	Domestic corporations, 20%-or-more-owned (other than debt-financed stock)		80	
3	Debt-financed stock of domestic and foreign corporations		see instructions	
4	Public utility corporations, less-than-20%-owned	805.	42	338.
5	Public utility corporations, 20%-or-more-owned		48	
6	Foreign corporations, less-than-20%-owned, and certain FSCs		70	
7	Foreign corporations, 20%-or-more-owned, and certain FSCs		80	
8	Wholly owned foreign subsidiaries and certain FSCs		100	
9	Certain affiliated company dividends		100	
10	Gross dividends-received deduction. Add lines 1 through 9			80,590.
11	Company share percentage (Schedule F, line 32)			38.9433
12	Prorated amount. Line 10 times line 11			31,384.
Dividends not subject to proration			see instructions	
13	Affiliated company dividends			
14	Other corporate dividends			
15	<b>Total dividends.</b> Add lines 1 through 14, column (a). Enter here and on Schedule B, line 2	115,450.		
16	<b>Total deductions.</b> Add lines 12 and 13, column (c). Reduce the deduction as provided in section 805(a)(4)(D)(ii). Enter here and on page 1, line 21a and on Schedule J, Part I, line 2c			31,384.

**Schedule B Gross Investment Income (section 812(d)) (see instructions)**

1	Interest (excluding tax-exempt interest)	SEE STATEMENT 2.	1	5,233,783.
2	Total dividends (Schedule A, line 15, column (a))		2	115,450.
3	Gross rents		3	
4	Gross royalties		4	
5	Leases, terminations, etc.		5	
6	Excess of net short-term capital gain over net long-term capital loss (Schedule D (Form 1120), line 16)		6	98,131.
7	Gross income from trade or business other than an insurance business (attach statement)		7	
8	Investment income. Add lines 1 through 7. Enter here and on page 1, line 4		8	5,447,364.
9	Tax-exempt interest. Enter here and on Schedule F, line 13 and Schedule J, Part I, line 2d		9	126,198.
10	Increase in policy cash value of section 264(f) policies as defined in section 805(a)(4)(F). Enter here and include on Schedule F, line 13		10	
11	Add lines 8, 9, and 10		11	5,573,562.
12	100% qualifying dividends		12	
13	<b>Gross investment income.</b> Subtract line 12 from line 11. Enter here and on Schedule F, line 9		13	5,573,562.

**Schedule F Increase (Decrease) in Reserves (section 807) and Company/Policyholder Share Percentage (section 812) (see instructions)**

		(a) Beginning of tax year	(b) End of tax year
1	Life insurance reserves . . . . .	58,784,868.	60,478,478.
2	Unearned premiums and unpaid losses . . . . .	762,097.	497,975.
3	Supplementary contracts . . . . .	237,057.	164,209.
4	Dividend accumulations and other amounts. . . . .	1,110,269.	1,038,359.
5	Advance premiums . . . . .	349,603.	304,972.
6	Special contingency reserves. . . . .	NONE	NONE
7	Add lines 1 through 6 . . . . .	61,243,894.	62,483,993.
8	Increase (decrease) in reserves under section 807. Subtract line 7, column (a) from line 7, column (b) . . . . .		1,240,099.
9	Gross investment income (Schedule B, line 13) . . . . .		5,573,562.
10a	Required interest on reserves under sections 807(c)(1), (3), (4), (5), and (6) (attach statement) . . . . .	3,057,768.	
10b	Deductible excess interest. Enter here and on lines 18b and 19 below . . . . .	4,178.	
10c	Deductible amounts credited to employee pension funds . . . . .		
10d	Deductible amounts credited to deferred annuities . . . . .		
10e	Deductible interest on amounts left on deposit . . . . .		
10f	Total policy interest. Add lines 10a through 10e. Enter here and on line 26 below . . . . .		3,061,946.
11	Subtract line 10f from line 9 . . . . .		2,511,616.
12	Life insurance company gross income (see instructions) . . . . .	41,565,275.	
13	Tax-exempt interest and the increase in policy cash value of section 264(f) policies as defined in section 805(a)(4)(F). (Enter the sum of Schedule B, line 9 and line 10.) . . . . .	126,198.	
14	Add lines 12 and 13. . . . .		41,691,473.
15	Increase in reserves from line 8. (If a decrease in reserves, enter -0-.) . . . . .		1,240,099.
16	Subtract line 15 from line 14. . . . .		40,451,374.
17	Investment income ratio. Divide line 11 by line 16. If zero or less, enter -0- . . . . .		6.2090
18a	Policyholder dividends paid or accrued . . . . .	12,666.	
18b	Excess interest from line 10b. . . . .	4,178.	
18c	Premium adjustments . . . . .		
18d	Experience-rated refunds . . . . .		
18e	Deductible policyholder dividends. Add lines 18a through 18d. Enter here and on page 1, line 12 . . . . .		16,844.
19	Deductible excess interest from line 10b . . . . .	4,178.	
20	Deductible dividends on employee pension funds. . . . .		
21	Deductible dividends on deferred annuities . . . . .		
22	Deductible premium and mortality charges for contracts paying excess interest . . . . .		
23	Add lines 19 through 22. . . . .		4,178.
24	Subtract line 23 from line 18e . . . . .		12,666.
25	Investment portion of dividends. Line 17 times line 24 . . . . .		786.
26	Policy interest from line 10f . . . . .		3,061,946.
27	Policyholder share amount. Add lines 25 and 26 . . . . .		3,062,732.
28	Net investment income (see instructions) . . . . .	SEE STATEMENT. 5.	5,016,206.
29	Policyholder share amount from line 27. . . . .		3,062,732.
30	Company share of net investment income. Subtract line 29 from line 28 . . . . .		1,953,474.
31	Total share percentage . . . . .		100%
32	Company share percentage. Divide line 30 by line 28. Enter here and on Schedule A, line 11 . . . . .		38.9433 %
33	Policyholders' share percentage. Subtract line 32 from line 31 . . . . .		61.0567 %
34	Policyholders' share of tax-exempt interest and the increase in policy cash value of section 264(f) policies as defined in section 805(a)(4)(F). Multiply line 13 by line 33 . . . . .		77,052.
35	Net increase (decrease) in reserves. Subtract line 34 from line 8. If an increase, enter here and on page 1, line 10. If a (decrease), enter here and on page 1, line 2 . . . . .		1,163,047.

**Schedule G Policy Acquisition Expenses** (section 848) (see instructions)

		(a) Annuity	(b) Group life insurance	(c) Other
1	Gross premiums and other consideration . . . . .	27,295.	4,792.	36,911,292.
2	Return premiums and premiums and other consideration incurred for reinsurance . . . . .			744,545.
3	Net premiums. Subtract line 2 from line 1. . . . .	27,295.	4,792.	36,166,747.
4	Net premium percentage . . . . .	1.75%	2.05%	7.7%
5	Multiply line 3 by line 4 . . . . .	478.	98.	2,784,840.
6	Combine line 5, columns (a), (b), and (c), and enter here. If zero or less, enter -0- on lines 7 and 8 . . . . .			2,785,416.
7	Unused balance of negative capitalization amount from prior years . . . . .			( )
8	Combine lines 6 and 7. If zero or less, enter -0- . . . . .			2,785,416.
9	General deductions (attach statement) . . . . .	SEE STATEMENT. 7.		
10	Enter the lesser of line 8 or line 9. . . . .			2,785,416.
11	Deductible general deductions. Subtract line 10 from line 9. Enter here and include on page 1, line 18 . . . . .			15,164,330.
12	If the amount on line 6 is negative, enter it as a positive amount. If the amount on line 6 is positive, enter -0- . . . . .			
13	Unamortized specified policy acquisition expenses from prior years . . . . .			4,555,667.
14	Deductible negative capitalization amount. Enter the lesser of line 12 or line 13 . . . . .			
15a	Tentative 60-month specified policy acquisition expenses. Enter amount from line 10, but not more than \$5 million. . . . .	15a	2,785,416.	
b	Limitation . . . . .	15b	\$10,000,000	
16	Phase-out amount. Subtract line 15b from line 10. If zero or less, enter -0- . . . . .	16		
17a	Current year 60-month specified policy acquisition expenses. Subtract line 16 from line 15a. If zero or less, enter -0- . . . . .	17a	2,785,416.	
b	Enter 10% of line 17a . . . . .	17b		278,542.
18a	Current year 120-month specified policy acquisition expenses. Subtract line 17a from line 10 . . . . .	18a		
b	Enter 5% of line 18a . . . . .	18b		
19	Enter the applicable amount of amortization from specified policy acquisition expenses capitalized in prior years and deductible this year. Attach statement . . . . .	19	SEE STATEMENT. 11.	2,597,282.
20	<b>Deductible policy acquisition expenses.</b> Add lines 14, 17b, 18b, and 19. Enter here and on page 1, line 16 . . . . .	20		2,875,824.

**Schedule H Small Life Insurance Company Deduction** (section 806(a)) (see instructions)

**Part I - Controlled Group Information**

Name of company	Tentative LICTI	
	(a) Income	(b) (Loss)
1 _____		
2 _____		
3 _____		
4 _____		
5 _____		
6 Add lines 1 through 5 in both columns . . . . .		
7 Net controlled group tentative LICTI. Subtract line 6, column (b) from line 6, column (a). Enter here and on line 11 below . . . . .		

**Part II - Small Life Insurance Company Deduction** If total assets (Schedule L, Part I, line 6, column (b)), are \$500 million or more, complete lines 8 through 12, line 16, and enter -0- on line 17 (see instructions).

8 Gain or (loss) from operations from page 1, line 22 . . . . .	<b>8</b>	2,921,181.	
9a Noninsurance income. . . . .	<b>9a</b>		
9b Noninsurance deductions. . . . .	<b>9b</b>		
10a Gain or (loss) on insurance operations. Subtract line 9a from line 8 and add line 9b. . . . .	<b>10a</b>	2,921,181.	
10b Adjustments (attach statement) . . . . .	<b>10b</b>		
10c Tentative LICTI. Combine lines 10a and 10b. . . . .	<b>10c</b>	2,921,181.	
11 Net controlled group tentative LICTI from line 7. . . . .	<b>11</b>		
12 Combined tentative LICTI. Add line 10c and line 11. If \$15 million or more, skip lines 13 through 15 and enter -0- on line 17 below and on page 1, line 23 . . . . .	<b>12</b>	2,921,181.	
13 Enter 60% of line 12, but not more than \$1,800,000. . . . .	<b>13</b>		1,752,709.
14a Maximum statutory amount . . . . .	<b>14a</b>	\$3,000,000	
14b Subtract line 14a from line 12. If zero or less, enter -0- . . . . .	<b>14b</b>		
14c Enter 15% of line 14b, but not more than \$1,800,000 . . . . .	<b>14c</b>		
15 Tentative small life insurance company deduction. Subtract line 14c from line 13 . . . . .	<b>15</b>		1,752,709.
16 Taxpayer's share. Divide line 10c by the total of line 6, column (a) and line 10c. If line 10c is zero or less, enter -0- on this line . . . . .	<b>16</b>		100.0000
17 <b>Small life insurance company deduction.</b> Multiply line 15 by line 16. Enter here and on page 1, line 23, and on Schedule J, Part I, line 2b . . . . .	<b>17</b>		1,752,709.

**Schedule I Limitation on Noninsurance Losses** (section 806(b)(3)(C)) (see instructions)

1 Noninsurance income (attach statement) . . . . .	<b>1</b>	
2 Noninsurance deductions (attach statement) . . . . .	<b>2</b>	
3 Noninsurance operations loss deductions . . . . .	<b>3</b>	
4 Add lines 2 and 3 . . . . .	<b>4</b>	
5 Noninsurance loss. Subtract line 1 from line 4. If line 1 is greater than line 4, skip lines 5 through 8 and enter -0- on line 9 . . . . .	<b>5</b>	
6 Enter 35% of line 5 . . . . .	<b>6</b>	
7 Enter 35% of the excess of LICTI (page 1, line 24) over any noninsurance loss included on page 1 . . . . .	<b>7</b>	
8 Enter the lesser of line 6 or line 7 . . . . .	<b>8</b>	
9 <b>Limitation on noninsurance losses.</b> Subtract line 8 from line 5. Enter here and on page 1, line 25 . . . . .	<b>9</b>	NONE

**Schedule J Part I - Shareholders Surplus Account (Stock Companies Only)** (section 815(c)) (see instructions)

<b>1a</b>	Balance at the beginning of the tax year . . . . .	<b>1a</b>	54,163,238.
<b>b</b>	Transfers under pre-1984 sections 815(d)(1) and (4) for the preceding year . . . . .	<b>1b</b>	NONE
<b>c</b>	Balance at the beginning of the tax year. Add lines 1a and 1b . . . . .	<b>1c</b>	54,163,238.
<b>2a</b>	LICTI. Add lines 24 and 25, page 1. If zero or less, enter -0- . . . . .	<b>2a</b>	1,168,472.
<b>b</b>	Small life insurance company deduction (Schedule H, line 17) . . . . .	<b>2b</b>	1,752,709.
<b>c</b>	Dividends-received deduction (Schedule A, line 16, column (c)) . . . . .	<b>2c</b>	31,384.
<b>d</b>	Tax-exempt interest (Schedule B, line 9) (see instructions) . . . . .	<b>2d</b>	126,198.
<b>3</b>	Add lines 1c through 2d . . . . .	<b>3</b>	57,242,001.
<b>4</b>	Tax liability without regard to section 815. Figure the tax on line 2a as if it were total taxable income . . . . .	<b>4</b>	510,178.
<b>5</b>	Subtract line 4 from line 3. If zero or less, enter -0- . . . . .	<b>5</b>	56,731,823.
<b>6</b>	Direct or indirect distributions in the tax year but not more than line 5 . . . . .	<b>6</b>	413,467.
<b>7</b>	Balance at the end of the tax year. Subtract line 6 from line 5 . . . . .	<b>7</b>	56,318,356.

**Part II - Policyholders Surplus Account (Stock Companies Only)** (section 815(d)) (see instructions)

<b>8</b>	Balance at the beginning of the tax year . . . . .	<b>8</b>	1,137,367.
<b>9a</b>	Direct or indirect distributions in excess of the amount on line 5, Part I above . . . . .	<b>9a</b>	
<b>b</b>	Tax increase on line 9a . . . . .	<b>9b</b>	
<b>c</b>	Subtractions from account under pre-1984 sections 815(d)(1) and (4) . . . . .	<b>9c</b>	NONE
<b>d</b>	Tax increase on line 9c . . . . .	<b>9d</b>	NONE
<b>e</b>	Subtraction from account under pre-1984 sections 815(d)(2) . . . . .	<b>9e</b>	
<b>10</b>	Add lines 9a through 9e, but not more than line 8. Enter here and on page 1, line 26 . . . . .	<b>10</b>	NONE
<b>11</b>	Balance at the end of the tax year. Subtract line 10 from line 8 . . . . .	<b>11</b>	1,137,367.

**Schedule K Tax Computation** (see instructions)

<b>1</b>	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)) <input type="checkbox"/>		
<b>2</b>	Income tax . . . . .	<b>2</b>	397,280.
<b>3</b>	Alternative minimum tax (attach Form 4626) . . . . .	<b>3</b>	112,898.
<b>4</b>	Add lines 2 and 3. . . . .	<b>4</b>	510,178.
<b>5a</b>	Foreign tax credit (attach Form 1118) . . . . .	<b>5a</b>	
<b>b</b>	Credit from Form 8834 (attach Form 8834) . . . . .	<b>5b</b>	
<b>c</b>	General business credit (attach Form 3800) . . . . .	<b>5c</b>	
<b>d</b>	Credit for prior year minimum tax (attach Form 8827) . . . . .	<b>5d</b>	
<b>e</b>	Bond credits from Form 8912 . . . . .	<b>5e</b>	
<b>6</b>	<b>Total credits.</b> Add lines 5a through 5e. . . . .	<b>6</b>	
<b>7</b>	Subtract line 6 from line 4 . . . . .	<b>7</b>	510,178.
<b>8</b>	Foreign corporations - tax on income not effectively connected with U.S. business . . . . .	<b>8</b>	
<b>9</b>	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Other (attach statement)	<b>9</b>	
<b>10</b>	<b>Total tax.</b> Add lines 7 through 9. Enter here and on page 1, line 28. . . . .	<b>10</b>	510,178.

**Schedule L Part I - Total Assets** (section 806(a)(3)(C)) (see instructions)

	(a) Beginning of tax year	(b) End of tax year
1 Real property . . . . .	1 681,651.	630,815.
2 Stocks . . . . .	2 4,266,324.	4,797,756.
3 Proportionate share of partnership and trust assets . . . . .	3	
4 Other assets (attach statement) . . . . . SEE. STATEMENT. 12.	4 111,675,046.	115,409,068.
5 Total assets of controlled groups . . . . .	5	
<b>6 Total assets.</b> Add lines 1 through 5 . . . . .	<b>6 116,623,021.</b>	<b>120,837,639.</b>

**Part II - Total Assets and Total Insurance Liabilities** (section 842(b)(2)(B)(i)) (see instructions)

The information provided in Part II should conform with the "Assets" and "Liabilities, Surplus, and Other Funds" sections of the NAIC Annual Statement.

	(a) Beginning of tax year	(b) End of tax year
1 Subtotals for assets . . . . .	1 116,623,021.	120,837,639.
<b>2 Total assets</b> . . . . .	<b>2 116,623,021.</b>	<b>120,837,639.</b>
3 Reserve for life policies and contracts . . . . .	3 41,530,306.	43,315,831.
4 Reserve for accident and health policies . . . . .	4 22,880,174.	22,493,747.
5 Liability for deposit-type contracts . . . . .	5 1,347,326.	1,202,568.
6 Life policy and contract claims . . . . .	6 700,858.	766,430.
7 Accident and health policy and contract claims . . . . .	7 4,634,061.	4,465,079.
8 Policyholder's dividend and coupon accumulations . . . . .	8	
9 Premiums and annuity considerations received in advance less discount . . . . .	9 349,603.	304,972.
10 Surrender values on canceled policies . . . . .	10	
11 Part of other amounts payable on reinsurance assumed . . . . .	11 1,585.	5,449.
12 Part of aggregate write-ins for liabilities. (Only include items or amounts includible in "total insurance liabilities on U.S. business" as defined in section 842(b)(2)(B)(i)) . . . . .	12	
13 Separate accounts statement . . . . .	13	
<b>14 Total insurance liabilities.</b> Add lines 3 through 13 . . . . .	<b>14 71,443,913.</b>	<b>72,554,076.</b>



**Schedule M Other Information** (see instructions)

	Yes	No		Yes	No
<b>1</b> Check method of accounting: <b>a</b> <input checked="" type="checkbox"/> Accrual <b>b</b> <input type="checkbox"/> Other (specify) _____			<b>8</b> At any time during the year, did one foreign person own, directly or indirectly, at least 25% of <b>(a)</b> the total voting power of all classes of stock of the corporation entitled to vote or <b>(b)</b> the total value of all classes of stock of the corporation? . . . . . If "Yes," enter: <b>a</b> Percentage owned ► _____ % and <b>b</b> Owner's country ► _____		<input checked="" type="checkbox"/>
<b>2</b> Check if the corporation is a: <b>a</b> <input checked="" type="checkbox"/> Legal reserve company - if checked Kind of company: <b>(1)</b> <input checked="" type="checkbox"/> Stock <b>(2)</b> <input type="checkbox"/> Mutual Principal business: <b>(1)</b> <input checked="" type="checkbox"/> Life Insurance <b>(2)</b> <input type="checkbox"/> Health and accident insurance <b>b</b> <input type="checkbox"/> Fraternal or assessment association <b>c</b> <input type="checkbox"/> Burial or other insurance company			<b>c</b> The corporation may have to file <b>Form 5472</b> , 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 ► _____		
<b>3</b> Enter the percentage that the total of the corporation's life insurance reserves (section 816(b)) plus unearned premiums and unpaid losses (whether or not ascertained) on noncancelable life, health or accident policies not included in life insurance reserves bears to the corporation's total reserves (section 816(c)) <u>91.3819</u> %. Attach a statement showing the computation. <small>STMT 13</small>			<b>9</b> Has the corporation elected to use its own payout pattern for discounting unpaid losses and unpaid loss adjustment expenses? . . . . .		<input checked="" type="checkbox"/>
<b>4</b> Does the corporation have any variable annuity contracts outstanding? . . . . .		<input checked="" type="checkbox"/>	<b>10</b> Does the corporation discount any of the loss reserves shown on its annual statement? . . . . .	<input checked="" type="checkbox"/>	
<b>5</b> 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).) . . . . . If "Yes," attach a statement showing <b>(a)</b> name and employer identification number (EIN), <b>(b)</b> percentage owned, and <b>(c)</b> taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year. <small>STMT 14</small>		<input checked="" type="checkbox"/>	<b>11 a</b> Enter the total unpaid losses shown on the corporation's annual statement: <b>(1)</b> For the current year: \$ <u>5,231,509.</u> <b>(2)</b> For the previous year: \$ <u>5,334,919.</u> <b>b</b> Enter the total unpaid loss adjustment expenses shown on the corporation's annual statement: <b>(1)</b> For the current year: \$ _____ <b>(2)</b> For the previous year: \$ _____		
<b>6</b> Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . . . If "Yes," enter name and EIN of the parent corporation. ► _____		<input checked="" type="checkbox"/>	<b>12</b> If the corporation has an operations loss deduction (OLD) for the tax year and is electing under section 810(b)(3) to forego the carryback period, check here . . . . . <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.		
<b>7</b> 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).) If "Yes," complete <b>a</b> and <b>b</b> below . . . . . <b>a</b> Attach a statement showing name and identifying number. (Do not include any information already entered in <b>6</b> above.) <b>b</b> Enter percentage owned ► _____ %		<input checked="" type="checkbox"/>	<b>13</b> Enter the available OLD carryover from prior tax years. (Do not reduce it by any deduction on page 1, line 21b.) ► \$ <u>NONE</u> <b>14 a</b> Enter the corporation's state of domicile ► <u>AL</u> <b>b</b> Was the annual statement used to prepare the tax return filed with the state of domicile? . . . . . If "No," complete <b>c</b> below. <b>c</b> Enter the state where the annual statement used to prepare the tax return was filed ► _____		<input checked="" type="checkbox"/>
<small>SEE STATEMENT 15</small> FOR RECONCILIATION			<b>15</b> Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? . . . . . If "Yes," complete and attach Schedule UTP.		

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

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

OMB No. 1545-0123

**2016**

Department of the Treasury  
Internal Revenue Service

▶ 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).

Name of corporation (common parent, if consolidated return)

Employer identification number

LIFE INSURANCE COMPANY OF ALABAMA

63-0321291

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 01/01/2016 Ending 12/31/2016

**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>	2,199,784.
<b>b</b> Indicate accounting standard used for line 4a (see instructions): (1) <input type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input checked="" 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 Net income (loss) per income statement of includible corporations.</b> Combine lines 4a through 10c	<b>11</b>	2,199,784.

**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 . . ▶	120,837,639.	80,208,776.
<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 . . ▶		

For Paperwork Reduction Act Notice, see the Instructions for Form 1120-L.

Schedule M-3 (Form 1120-L) 2016

Name of corporation (common parent, if consolidated return) **LIFE INSURANCE COMPANY OF ALABAMA** Employer identification number **63-0321291**

Check applicable box(es): (1)  Consolidated group (2)  Parent corp (3)  Consolidated eliminations (4)  Subsidiary corp (5)  Mixed 1120/L/PC group

Check 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	115,450.			115,450.
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)	5,547,187.	-61,008.	-126,198.	5,359,981.
14 Accrual of bond discount				
15 Hedging transactions				
16 Mark-to-market income (loss)				
17 Deferred and uncollected premiums	140,937.	-140,937.		
18 Sale versus lease (for sellers and/or lessors)				
19 Section 481(a) adjustments				
20 Amortization of interest maintenance reserve	211,709.		-211,709.	
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	129,935.	-129,935.		
b Gross capital gains from Schedule D, excluding amounts from pass-through entities		278,100.		278,100.
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		98,131.		98,131.
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)	152,165.	-52,165.	-100,000.	
26 Total income (loss) items. Combine lines 1 through 25	6,297,383.	-7,814.	-437,907.	5,851,662.
27 Total expense/deduction items (from Part III, line 41)	-2,872,431.	650,520.	547,982.	-1,673,929.
28 Other items with no differences (attach statement)	-1,225,168.			-1,225,168.
29a Mixed groups, see instructions. All others, combine lines 26 through 28	2,199,784.	642,706.	110,075.	2,952,565.
b 1120 subgroup reconciliation totals				
c PC insurance subgroup reconciliation totals				
30 Reconciliation totals. Combine lines 29a through 29c	2,199,784.	642,706.	110,075.	2,952,565.

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.

Name of corporation (common parent, if consolidated return) **LIFE INSURANCE COMPANY OF ALABAMA** Employer identification number **63-0321291**

Check applicable box(es): (1)  Consolidated group (2)  Parent corp (3)  Consolidated eliminations (4)  Subsidiary corp (5)  Mixed 1120/L/PC group

Check 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 . . . . .	308,690.		-308,690.	
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 . . . . .		-2,785,416.		-2,785,416.
10 Amortization of deferred acquisition costs . . . . .		2,875,824.		2,875,824.
11 Meals and entertainment . . . . .	120,690.		-60,345.	60,345.
12 Fines and penalties . . . . .	601.		-601.	
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 . . . . .	85,032.		-4,931.	80,101.
20 Charitable contribution of intangible property . . . . .				
21 Charitable contribution limitation/carryforward . . . . .				
22 Change in section 807(c)(1) tax reserves . . . . .	1,399,098.	294,512.		1,693,610.
23 Change in section 807(c)(2) tax reserves . . . . .	NONE	-264,122.		-264,122.
24 Change in all other section 807(c) tax reserves . . . . .	NONE	-189,389.		-189,389.
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 . . . . .			-77,052.	-77,052.
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 . . . . .	150,947.	-16,628.		134,319.
33 Bad debt expense/agency balances written off . . . . .				
34 Corporate owned life insurance premiums . . . . .	58,856.		-58,856.	
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) . . . . .	748,517.	-565,301.	-37,507.	145,709.
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 . . . . .	2,872,431.	-650,520.	-547,982.	1,673,929.

LIFE INSURANCE COMPANY OF ALABAMA		STATUTORY	STATUTORY		TAX	INCOME	63-0321291
	BOOK INCOME	ADJUST.	INCOME	RECLASSIFY	ADJUST.	TAX RETURN	
	-----	-----	-----	-----	-----	-----	
1	PREMIUMS & ANNUITY CONSIDERATIONS	36,013,266.	36,013,266.		-181,390.	35,831,876.	STMT 21
2	SUPPL. CONTRACTS WITH LIFE CONTINGENCIES						
3	NET INVESTMENT INCOME	5,270,610.	5,270,610.	346,467.	-238,528.	5,378,549.	
4	AMORT. OF INTEREST MAINT. RESERVE	211,709.	211,709.		-211,709.		
5	SEP. ACCTS. NET GAIN FR. OPERATIONS						
6	COMMISSIONS & EXPENSES ON REINSURANCE						
7	RESERVE ADJUSTMENTS ON REINSURANCE CEDED						
8.1	INCOME FROM FEES INVESTMENT MANAGEMENT						
8.2	CHARGES AND FEES FOR DEPOSIT - TYPE CONTRACTS						
8.3	AGGREGATE WRITE-INS FOR MISC. INCOME	114,645.	114,645.			114,645.	
9	TOTAL (ITEMS 1-8.3)	41,610,230.	41,610,230.	346,467.	-631,627.	41,325,070.	
10	DEATH BENEFITS	2,820,754.	2,820,754.			2,820,754.	
11	MATURED ENDOWMENTS						
12	ANNUITY BENEFITS	180,612.	180,612.			180,612.	
13	BENEFITS - DISABILITY, A & H POLICIES	15,371,374.	15,371,374.			15,371,374.	
14	COUPONS, ENDOWMENTS & SIMILAR BENEFITS	5,936.	5,936.			5,936.	
15	SURRENDER BENEFITS & FUND WITHDRAWALS	825,446.	825,446.			825,446.	
16	GROUP CONVERSIONS						
17	INTEREST ON POLICY OR CONTRACT FUNDS	43,786.	43,786.			43,786.	
18	PAYMENTS ON SUPPLEMENTAL CONTRACTS						
19	INCREASE IN AGGREGATE RESERVES	1,399,098.	1,399,098.				
	OTHER BENEFIT ADJUSTMENT						
20	TOTAL (ITEMS 10-15)	20,647,006.	20,647,006.			20,647,006.	
21	COMM. - PREM. & ANNUITY CONSIDERATIONS	6,899,348.	6,899,348.			6,899,348.	
22	COMMISSIONS & EXP ALLOW. ON REINS. ASSUMED						
23	GENERAL INSURANCE EXPENSES	9,920,324.	9,920,324.			9,920,324.	
24	INSURANCE TAXES, LICENSES & FEES	1,042,287.	1,042,287.			1,042,287.	
25	INCR. IN LOADING - DEF. & UNCOLLECTED PREM	36,124.	36,124.			36,124.	
26	NET TRANSFERS TO/FROM SEPARATE ACCOUNTS						
27	WRITE-INS FOR DEDUCTIONS	674,886.	674,886.			674,886.	
	OTHER DEDUCTIONS			1,745,803.	-2,213,445.	-467,642.	
	TOTAL DEDUCTIONS	39,219,975.	39,219,975.	1,745,803.	-2,213,445.	38,752,333.	
	SPECIAL ITEMS				1,522,838.	1,522,838.	
28	NET GAIN FROM OPERATIONS BEFORE TAX	2,390,255.	2,390,255.	-1,399,336.	58,980.	1,049,899.	

Department of the Treasury  
Internal Revenue Service

▶ Attach to the corporation's tax return.

**2016**

▶ Information about Form 4626 and its separate instructions is at [www.irs.gov/form4626](http://www.irs.gov/form4626).

Name LIFE INSURANCE COMPANY OF ALABAMA Employer identification number 63-0321291

**Note:** See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).

<b>1</b>	Taxable income or (loss) before net operating loss deduction . . . . .	<b>1</b>	<u>1,168,472.</u>
<b>2</b>	<b>Adjustments and preferences:</b>		
<b>a</b>	Depreciation of post-1986 property . . . . .	<b>2a</b>	<u>7,488.</u>
<b>b</b>	Amortization of certified pollution control facilities . . . . .	<b>2b</b>	
<b>c</b>	Amortization of mining exploration and development costs . . . . .	<b>2c</b>	
<b>d</b>	Amortization of circulation expenditures (personal holding companies only) . . . . .	<b>2d</b>	
<b>e</b>	Adjusted gain or loss . . . . .	<b>2e</b>	
<b>f</b>	Long-term contracts . . . . .	<b>2f</b>	
<b>g</b>	Merchant marine capital construction funds . . . . .	<b>2g</b>	
<b>h</b>	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only) . . . . .	<b>2h</b>	
<b>i</b>	Tax shelter farm activities (personal service corporations only) . . . . .	<b>2i</b>	
<b>j</b>	Passive activities (closely held corporations and personal service corporations only) . . . . .	<b>2j</b>	
<b>k</b>	Loss limitations . . . . .	<b>2k</b>	
<b>l</b>	Depletion . . . . .	<b>2l</b>	
<b>m</b>	Tax-exempt interest income from specified private activity bonds . . . . .	<b>2m</b>	
<b>n</b>	Intangible drilling costs . . . . .	<b>2n</b>	
<b>o</b>	Other adjustments and preferences . . . . .	<b>2o</b>	
<b>3</b>	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o . . . . .	<b>3</b>	<u>1,175,960.</u>
<b>4</b>	<b>Adjusted current earnings (ACE) adjustment:</b>		
<b>a</b>	ACE from line 10 of the ACE worksheet in the instructions . . . . .	<b>4a</b>	<u>3,009,199.</u>
<b>b</b>	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount. See instructions . . . . .	<b>4b</b>	<u>1,833,239.</u>
<b>c</b>	Multiply line 4b by 75% (0.75). Enter the result as a positive amount . . . . .	<b>4c</b>	<u>1,374,929.</u>
<b>d</b>	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments. See instructions. <b>Note:</b> You <i>must</i> enter an amount on line 4d (even if line 4b is positive) . . . . . STMT. 22. . . . .	<b>4d</b>	<u>6,344,299.</u>
<b>e</b>	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the <b>smaller</b> of line 4c or line 4d as a negative amount } . . . . .	<b>4e</b>	<u>1,374,929.</u>
<b>5</b>	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT . . . . .	<b>5</b>	<u>2,550,889.</u>
<b>6</b>	Alternative tax net operating loss deduction. See instructions . . . . .	<b>6</b>	
<b>7</b>	<b>Alternative minimum taxable income.</b> Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions . . . . .	<b>7</b>	<u>2,550,889.</u>
<b>8</b>	<b>Exemption phase-out</b> (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):		
<b>a</b>	Subtract \$150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0- . . . . .	<b>8a</b>	
<b>b</b>	Multiply line 8a by 25% (0.25) . . . . .	<b>8b</b>	
<b>c</b>	Exemption. Subtract line 8b from \$40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0- . . . . .	<b>8c</b>	<u>NONE</u>
<b>9</b>	Subtract line 8c from line 7. If zero or less, enter -0- . . . . .	<b>9</b>	<u>2,550,889.</u>
<b>10</b>	Multiply line 9 by 20% (0.20) . . . . .	<b>10</b>	<u>510,178.</u>
<b>11</b>	Alternative minimum tax foreign tax credit (AMTFTC). See instructions . . . . .	<b>11</b>	
<b>12</b>	Tentative minimum tax. Subtract line 11 from line 10. . . . .	<b>12</b>	<u>510,178.</u>
<b>13</b>	Regular tax liability before applying all credits except the foreign tax credit . . . . .	<b>13</b>	<u>397,280.</u>
<b>14</b>	<b>Alternative minimum tax.</b> Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return . . . . .	<b>14</b>	<u>112,898.</u>

For Paperwork Reduction Act Notice, see separate instructions.

**Adjusted Current Earnings (ACE) Worksheet**

Keep for Your Records

▶ See ACE Worksheet Instructions.

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626 . . . . .		1	1,175,960.
2	ACE depreciation adjustment:			
a	AMT depreciation . . . . .	2a		85,672.
b	ACE depreciation:			
(1)	Post-1993 property . . . . .	2b(1)		85,672.
(2)	Post-1989, pre-1994 property . . . . .	2b(2)		
(3)	Pre-1990 MACRS property . . . . .	2b(3)		
(4)	Pre-1990 original ACRS property . . . . .	2b(4)		
(5)	Property described in sections 168(f)(1) through (4) . . . . .	2b(5)		
(6)	Other property . . . . .	2b(6)		
(7)	Total ACE depreciation. Add lines 2b(1) through 2b(6) . . . . .	2b(7)		85,672.
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a . . . . .		2c	
3	Inclusion in ACE of items included in earnings and profits (E&P):			
a	Tax-exempt interest income . . . . .	3a		49,146.
b	Death benefits from life insurance contracts . . . . .	3b		
c	All other distributions from life insurance contracts (including surrenders) . . . . .	3c		
d	Inside buildup of undistributed income in life insurance contracts . . . . .	3d		
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list) . . . . .	3e		
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e . . . . .		3f	49,146.
4	Disallowance of items not deductible from E&P:			
a	Certain dividends received . . . . .	4a		31,384.
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247 (as affected by P.L. 113-295, Div. A, section 221(a)(41)(A), Dec. 19, 2014, 128 Stat. 4043) . . . . .	4b		
c	Dividends paid to an ESOP that are deductible under section 404(k) . . . . .	4c		
d	Nonpatronage dividends that are paid and deductible under section 1382(c) . . . . .	4d		
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list) . . . . .	4e		STMT 24 1,752,709.
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e . . . . .		4f	1,784,093.
5	Other adjustments based on rules for figuring E&P:			
a	Intangible drilling costs . . . . .	5a		
b	Circulation expenditures . . . . .	5b		
c	Organizational expenditures . . . . .	5c		
d	LIFO inventory adjustments . . . . .	5d		
e	Installment sales . . . . .	5e		
f	Total other E&P adjustments. Combine lines 5a through 5e . . . . .		5f	
6	Disallowance of loss on exchange of debt pools . . . . .		6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts . . . . .		7	
8	Depletion . . . . .		8	
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property . . . . .		9	
10	<b>Adjusted current earnings.</b> Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626 . . . . .		10	3,009,199.

**SCHEDULE D  
(Form 1120)**

Department of the Treasury  
Internal Revenue Service

**Capital Gains and Losses**

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.  
▶ Information about Schedule D (Form 1120) and its separate instructions is at [www.irs.gov/form1120](http://www.irs.gov/form1120).

OMB No. 1545-0123

**2016**

Name **LIFE INSURANCE COMPANY OF ALABAMA** Employer identification number **63-0321291**

**Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less**

See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
<b>1a</b> Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b . . . . .				
<b>1b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box A</b> checked . . . . .				
<b>2</b> Totals for all transactions reported on Form(s) 8949 with <b>Box B</b> checked . . . . .				
<b>3</b> Totals for all transactions reported on Form(s) 8949 with <b>Box C</b> checked . . . . .	3,598,251.	3,500,120.		98,131.
<b>4</b> Short-term capital gain from installment sales from Form 6252, line 26 or 37 . . . . .				<b>4</b>
<b>5</b> Short-term capital gain or (loss) from like-kind exchanges from Form 8824 . . . . .				<b>5</b>
<b>6</b> Unused capital loss carryover (attach computation) . . . . .				<b>6</b> ( )
<b>7</b> Net short-term capital gain or (loss). Combine lines 1a through 6 in column h . . . . .				<b>7</b> 98,131.

**Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year**

See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
<b>8a</b> Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b . . . . .				
<b>8b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box D</b> checked . . . . .				
<b>9</b> Totals for all transactions reported on Form(s) 8949 with <b>Box E</b> checked . . . . .				
<b>10</b> Totals for all transactions reported on Form(s) 8949 with <b>Box F</b> checked . . . . .	12,019,667.	11,741,568.		278,099.
<b>11</b> Enter gain from Form 4797, line 7 or 9 . . . . .				<b>11</b>
<b>12</b> Long-term capital gain from installment sales from Form 6252, line 26 or 37 . . . . .				<b>12</b>
<b>13</b> Long-term capital gain or (loss) from like-kind exchanges from Form 8824 . . . . .				<b>13</b>
<b>14</b> Capital gain distributions (see instructions) . . . . .				<b>14</b>
<b>15</b> Net long-term capital gain or (loss). Combine lines 8a through 14 in column h . . . . .				<b>15</b> 278,099.

**Part III Summary of Parts I and II**

<b>16</b> Enter excess of net short-term capital gain (line 7) over net long-term capital loss (line 15) . . . . .				<b>16</b> 98,131.
<b>17</b> Net capital gain. Enter excess of net long-term capital gain (line 15) over net short-term capital loss (line 7) . . . . .				<b>17</b> 278,099.
<b>18</b> Add lines 16 and 17. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns. If the corporation has qualified timber gain, also complete Part IV . . . . .				<b>18</b> 376,230.

**Note:** If losses exceed gains, see **Capital losses** in the instructions.

For Paperwork Reduction Act Notice, see the Instructions for Form 1120.

Schedule D (Form 1120) 2016



Department of the Treasury  
Internal Revenue Service

► Information about Form 8949 and its separate instructions is at [www.irs.gov/form8949](http://www.irs.gov/form8949).  
► File with your Schedule D to list your transactions for lines 1b, 2, 3, 8b, 9, and 10 of Schedule D.

Attachment  
Sequence No. **12A**

Name(s) shown on return <i>LIFE INSURANCE COMPANY OF ALABAMA</i>	Social security number or taxpayer identification number 63-0321291
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Before you check Box A, B, or C below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

**Part I Short-Term.** Transactions involving capital assets you held 1 year or less are short term. For long-term transactions, see page 2.

**Note:** You may aggregate all short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 1a; you aren't required to report these transactions on Form 8949 (see instructions).

**You must check Box A, B, or C below. Check only one box.** If more than one box applies for your short-term transactions, complete a separate Form 8949, page 1, for each applicable box. If you have more short-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

- (A) Short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)
- (B) Short-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS
- (C) Short-term transactions not reported to you on Form 1099-B

1	(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis. See the <b>Note</b> below and see <i>Column (e)</i> in the separate instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). <b>See the separate instructions.</b>		(h) <b>Gain or (loss).</b> Subtract column (e) from column (d) and combine the result with column (g)
						(f) Code(s) from instructions	(g) Amount of adjustment	
	ST - SEE STATEMENT A	VARIOUS	12/31/2016	3,598,251.	3,500,120.	M		98,131.
<b>2 Totals.</b>	Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, <b>line 1b</b> (if <b>Box A</b> above is checked), <b>line 2</b> (if <b>Box B</b> above is checked), or <b>line 3</b> (if <b>Box C</b> above is checked) ►				3,598,251.	3,500,120.		98,131.

**Note:** If you checked Box A above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

**For Paperwork Reduction Act Notice, see your tax return instructions.** Form **8949** (2016)

Name(s) shown on return. Name and SSN or taxpayer identification no. not required if shown on other side

**Social security number or taxpayer identification number**

LIFE INSURANCE COMPANY OF ALABAMA

63-0321291

Before you check Box D, E, or F below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

**Part II Long-Term.** Transactions involving capital assets you held more than 1 year are long term. For short-term transactions, see page 1.

**Note:** You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).

**You must check Box D, E, or F below. Check only one box.** If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

- (D)** Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)
- (E)** Long-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS
- (F)** Long-term transactions not reported to you on Form 1099-B

1	(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis. See the <b>Note</b> below and see <i>Column (e)</i> in the separate instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). <b>See the separate instructions.</b>		(h) <b>Gain or (loss).</b> Subtract column (e) from column (d) and combine the result with column (g)
						(f) Code(s) from instructions	(g) Amount of adjustment	
	LT - SEE STATEMENT B	VARIOUS	12/31/2016	12,019,667.	11,741,568.	M		278,099.
<b>2 Totals.</b> Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, <b>line 8b</b> (if <b>Box D</b> above is checked), <b>line 9</b> (if <b>Box E</b> above is checked), or <b>line 10</b> (if <b>Box F</b> above is checked) ▶				12,019,667.	11,741,568.			278,099.

**Note:** If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

**Depreciation and Amortization**  
(Including Information on Listed Property)

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to your tax return.

▶ Information about Form 4562 and its separate instructions is at [www.irs.gov/form4562](http://www.irs.gov/form4562).

Attachment  
Sequence No. **179**

Name(s) shown on return

Identifying number

LIFE INSURANCE COMPANY OF ALABAMA

63-0321291

Business or activity to which this form relates

**GENERAL DEPRECIATION AND AMORTIZATION**

**Part I Election To Expense Certain Property Under Section 179**

**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	85,672.
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,010,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	500,000.
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
	SEE STATEMENT C		85,672.
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	85,672.
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	85,672.
10	Carryover of disallowed deduction from line 13 of your 2015 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	500,000.
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	85,672.
13	Carryover of disallowed deduction to 2017. Add lines 9 and 10, less line 12	13	

**Note:** Don't use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property.) (See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	18,060.

**Part III MACRS Depreciation (Don't include listed property.) (See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2016	17	30,587.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

**Section B - Assets Placed in Service During 2016 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

**Section C - Assets Placed in Service During 2016 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

**Part IV Summary (See instructions.)**

21	Listed property. Enter amount from line 28	21	
22	<b>Total.</b> Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	134,319.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

**Part V Listed Property** (Include automobiles, certain other vehicles, certain aircraft, certain computers, and property used for entertainment, recreation, or amusement.)

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)**

<b>24a</b> Do you have evidence to support the business/investment use claimed?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<b>24b</b> If "Yes," is the evidence written?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
<b>25</b> Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) . . . . .							<b>25</b>	
<b>26</b> Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
<b>27</b> Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. . . . .							<b>28</b>	
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1 . . . . .								<b>29</b>

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
<b>30</b> Total business/investment miles driven during the year ( <b>don't</b> include commuting miles) . . . . .						
<b>31</b> Total commuting miles driven during the year . . . . .						
<b>32</b> Total other personal (noncommuting) miles driven . . . . .						
<b>33</b> Total miles driven during the year. Add lines 30 through 32 . . . . .						
<b>34</b> Was the vehicle available for personal use during off-duty hours? . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person? . . . . .						
<b>36</b> Is another vehicle available for personal use? . . . . .						

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **aren't** more than 5% owners or related persons (see instructions).

	Yes	No
<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? . . . . .		
<b>38</b> Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners . . . . .		
<b>39</b> Do you treat all use of vehicles by employees as personal use? . . . . .		
<b>40</b> Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? . . . . .		
<b>41</b> Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) . . . . .		
<b>Note:</b> If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.		

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
<b>42</b> Amortization of costs that begins during your 2016 tax year (see instructions):					
<b>43</b> Amortization of costs that began before your 2016 tax year . . . . .					<b>43</b>
<b>44 Total.</b> Add amounts in column (f). See the instructions for where to report . . . . .					<b>44</b>

Department of the Treasury  
Internal Revenue Service

▶ Attach to the corporation's tax return.

▶ Information about Form 8827 and its instructions is at [www.irs.gov/form8827](http://www.irs.gov/form8827).

**2016**

Name	Employer identification number
<u>LIFE INSURANCE COMPANY OF ALABAMA</u>	63-0321291
<b>1</b> Alternative minimum tax (AMT) for 2015. Enter the amount from line 14 of the 2015 Form 4626	<b>1</b> 7,203.
<b>2</b> Minimum tax credit carryforward from 2015. Enter the amount from line 9 of the 2015 Form 8827	<b>2</b>
<b>3</b> Enter any 2015 unallowed qualified electric vehicle credit (see instructions)	<b>3</b>
<b>4</b> Add lines 1, 2, and 3	<b>4</b> 7,203.
<b>5</b> Enter the corporation's 2016 regular income tax liability minus allowable tax credits (see instructions)	<b>5</b> 397,280.
<b>6</b> Is the corporation a "small corporation" exempt from the AMT for 2016 (see instructions)? • <b>Yes.</b> Enter 25% of the excess of line 5 over \$25,000. If line 5 is \$25,000 or less, enter -0- • <b>No.</b> Complete Form 4626 for 2016 and enter the tentative minimum tax from line 12	<b>6</b> 510,178.
<b>7a</b> Subtract line 6 from line 5. If zero or less, enter -0-	<b>7a</b>
<b>b</b> For a corporation electing to accelerate the minimum tax credit, enter the bonus depreciation amount attributable to the minimum tax credit (see instructions)	<b>7b</b>
<b>c</b> Add lines 7a and 7b.	<b>7c</b>
<b>8a</b> Enter the <b>smaller</b> of line 4 or line 7c. If the corporation had a post-1986 ownership change or has pre-acquisition excess credits, see instructions	<b>8a</b>
<b>b</b> <b>Current year minimum tax credit.</b> Enter the smaller of line 4 or line 7a here and on Form 1120, Schedule J, Part I, line 5d (or the applicable line of your return). If the corporation had a post-1986 ownership change or has pre-acquisition excess credits, see instructions. If you made an entry on line 7b, go to line 8c. Otherwise, skip line 8c	<b>8b</b>
<b>c</b> Subtract line 8b from line 8a. This is the refundable amount for a corporation electing to accelerate the minimum tax credit. Include this amount on Form 1120, Schedule J, Part II, line 19c (or the applicable line of your return)	<b>8c</b>
<b>9</b> <b>Minimum tax credit carryforward to 2017.</b> Subtract line 8a from line 4. Keep a record of this amount to carry forward and use in future years	<b>9</b> 7,203.

**Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**What's New**

Modifications to the election to accelerate the minimum tax credit in lieu of claiming the bonus depreciation allowance apply to qualified property placed in service in tax years ending after December 31, 2015. See the instructions for line 7b.

**Purpose of Form**

Corporations use Form 8827 to figure the minimum tax credit, if any, for AMT incurred in prior tax years and to figure any minimum tax credit carryforward.

**Who Should File**

Form 8827 should be filed by corporations that had:

- An AMT liability in 2015,
- A minimum tax credit carryforward from 2015 to 2016, or
- A qualified electric vehicle credit not allowed for 2015 (see the instructions for line 3).

**Line 3**

Enter any qualified electric vehicle credit not allowed for 2015 solely because of tentative minimum tax limitations.

**Line 5**

Enter the corporation's 2016 regular income tax liability (as defined in section 26(b)) minus any credits allowed under Chapter 1, Subchapter A, Part IV, subparts B, D, E, and F of the Internal Revenue Code (for example, if filing Form 1120, subtract any credits on Schedule J, Part I, line 5a, through 5c, from the amount on Schedule J, Part I, line 2).

**Line 6**

See the 2016 Instructions for Form 4626 to find out if the corporation is treated as a "small corporation" exempt from the AMT for 2016. If the corporation is a "small corporation" exempt from the AMT, see section 38(c)(6) before completing line 6 for special rules that apply to controlled corporate groups.

**Line 7b**

**Election To Accelerate Minimum Tax Credit in Lieu of Bonus Depreciation**

A corporation can elect to claim unused minimum tax credits in lieu of claiming the special depreciation allowance (bonus depreciation) for qualified property (as defined in section 168(k)(2)) placed in service during the tax year. Once made, this election cannot be revoked without IRS consent.

If the corporation elects to accelerate the minimum tax credit and obtain a refundable credit in lieu of the special depreciation

allowance, complete the *Worksheet for Calculating the Refundable Minimum Tax Credit Amount*, later in the instructions. Enter the amount from line 9 of the worksheet on Form 8827, line 7b. All others, enter zero on line 7b.

For fiscal year corporations with tax years beginning in 2015 and ending in 2016, the limitation on the bonus depreciation amount is calculated differently for property placed in service during that fiscal year that is subject to section 168(k)(4), as amended by Public Law 114-113. The fiscal year corporation should modify the worksheet to reflect that different calculation. See section 168(k)(4), as modified.

If a partnership has a single corporate partner that owns (directly or indirectly) more than 50% of the capital and profits interests in the partnership at all times during the tax year, then each partner takes into account its distributive share of partnership depreciation in determining its bonus depreciation amount. For more information, see section 168(k)(4)(D)(iii).

For more information on the election to accelerate the minimum tax credit in lieu of claiming the special depreciation allowance, see section 168(k)(4). For more information on the special depreciation allowance, see the Instructions for Form 4562 and Pub. 946, How To Depreciate Property.

Department of the Treasury  
Internal Revenue Service

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.  
▶ Information about Form 8916-A and its instructions is at [www.irs.gov/form1120](http://www.irs.gov/form1120).

**2016**

Name of common parent  
**LIFE INSURANCE COMPANY OF ALABAMA**

Employer identification number  
**63-0321291**

Name of subsidiary

Employer identification number

**Part I Cost of Goods Sold**

Cost of Goods Sold Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
<b>1</b> Amounts attributable to cost flow assumptions . . . . .				
<b>2</b> Amounts attributable to:				
<b>a</b> Stock option expense . . . . .				
<b>b</b> Other equity-based compensation . . . . .				
<b>c</b> Meals and entertainment . . . . .				
<b>d</b> Parachute payments . . . . .				
<b>e</b> Compensation with section 162(m) limitation . . . . .				
<b>f</b> Pension and profit sharing . . . . .				
<b>g</b> Other post-retirement benefits . . . . .				
<b>h</b> Deferred compensation . . . . .				
<b>i</b> Reserved . . . . .				
<b>j</b> Amortization . . . . .				
<b>k</b> Depletion . . . . .				
<b>l</b> Depreciation . . . . .				
<b>m</b> Corporate-owned life insurance premiums . . . . .				
<b>n</b> Other section 263A costs . . . . .				
<b>3</b> Inventory shrinkage accruals . . . . .				
<b>4</b> Excess inventory and obsolescence reserves . . . . .				
<b>5</b> Lower of cost or market write-downs . . . . .				
<b>6</b> Other items with differences (attach statement). . . . .				
<b>7</b> Other items with no differences				
<b>8 Total cost of goods sold.</b> Add lines 1 through 7 in columns a, b, c, and d. Enter totals on the applicable Schedule M-3. See instructions . . . . .				

For Paperwork Reduction Act Notice, see instructions.

Form **8916-A** (2016)

**Part II Interest Income**

	Interest Income Item	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1	Tax-exempt interest income	126,198.		-126,198.	
2	Interest income from hybrid securities				
3	Sale/lease interest income				
4a	Intercompany interest income - From outside tax affiliated group				
4b	Intercompany interest income - From tax affiliated group				
5	Other interest income	5,420,989.	-61,008.		5,359,981.
6	Total interest income. Add lines 1 through 5 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	5,547,187.	-61,008.	-126,198.	5,359,981.

**Part III Interest Expense**

	Interest Expense Item	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	Interest expense from hybrid securities				
2	Lease/purchase interest expense				
3a	Intercompany interest expense - Paid to outside tax affiliated group				
3b	Intercompany interest expense - Paid to tax affiliated group				
4	Other interest expense				
5	Total interest expense. Add lines 1 through 4 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.				

(Rev. January 2010)

Department of the Treasury  
Internal Revenue Service (99)

▶ **Attach to the policyholder's tax return - See instructions.**

Attachment  
Sequence No. **160**

Name(s) as shown on return <u>LIFE INSURANCE COMPANY OF ALABAMA</u>	Identifying number 63-0321291
Name of policyholder, if different from above	Identifying number, if different from above

Type of business  
LIFE INSURANCE COMPANY

1 Enter the number of employees the policyholder had at the end of the tax year . . . . .	1	61.
2 Enter the number of employees included on line 1 who were insured at the end of the tax year under the policyholder's employer-owned life insurance contract(s) issued after August 17, 2006. See Section 1035 exchanges on page 2 for an exception . . . . .	2	14.
3 Enter the total amount of employer-owned life insurance in force at the end of the tax year for employees who were insured under the contract(s) specified on line 2 . . . . .	3	12,438,851.
4a Does the policyholder have a valid consent (see instructions) for each employee included on line 2? . . . . . <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
b If "No," enter the number of employees included on line 2 for whom the policyholder does not have a valid consent . . . . .	4b	

**General Instructions**

Section references are to the Internal revenue Code unless otherwise noted.

**Purpose of Form**

Use Form 8925 to report the number of employees covered by employer-owned life insurance contracts issued after August 17, 2006, and the total amount of employer-owned life insurance in force on those employees at the end of the tax year. Policyholders must also indicate whether a valid consent has been received from each covered employee, and the number of covered employees for which a valid consent has not been received.

See sections 101(j) and 6039I, and Notice 2009-48, 2009-24 I.R.B. 1085, for more information.

**Definitions**

**Employer-owned life insurance contract.** For purposes of Form 8925, an insurance contract is an employer-owned life insurance contract if it is owned by a policyholder as defined below, and covers the life of the policyholder's employee(s) on the date the life insurance contract is issued. If you have master contracts, see section 101(j)(3) for additional information.

**Policyholder.** For purposes of Form 8925 and these instructions, a policyholder is an "applicable policyholder" as defined in section 101(j)(3)(B). Generally, a policyholder is the person who owns the employer-owned life insurance contract, and who is (a) engaged in a trade or business

that employs the person insured under the employer-owned life insurance contract and (b) the direct or indirect beneficiary of the employer-owned life insurance contract.

**Related person.** A related person is considered a policyholder if that person is (a) related to the policyholder (defined earlier) under sections 267(b) or 707(b) (1), or (b) engaged in a trade or business under common control with the policyholder. See sections 52(a) and (b).

**Employee.** Employee includes an officer, director, or highly compensated employee under section 414(q).

**Insured.** An individual must be a U.S. citizen or resident to be considered insured under an employer-owned life insurance contract. Both individuals covered by a contract covering the joint lives of two individuals are considered insured.

**Notice and consent requirements.** To qualify as an employer-owned life insurance contract, the policyholder must meet the notice and consent requirements listed below before the issuance of the contract.

1. Provide written notification to the employee stating the policyholder intends to insure the employee's life and the maximum face amount for which the employee could be insured at the time the contract was issued.

The written notification must include a disclosure of the face amount of life insurance, either in dollars or as a multiple of salary, that the policyholder

reasonably expects to purchase with regard to the employee during the course of the employee's tenure. Additional notice and consent are required if the aggregate face amount of the employer-owned life insurance contracts with regard to an employee exceeds the amount of which the employee was given notice and to which the employee consented. See Q&A-9 and Q&A-12 in Notice 2009-48.

2. Provide written notification to the employee that the policyholder will be a beneficiary of any proceeds payable upon the death of the employee.

3. Received written consent from the employee. See *Valid consent* under the instructions for line 4a.

**Electronic notification and consent.**

The written notification and consent requirement can be met electronically only if the system for electronic notification and consent meets requirements 1 through 3, above. See Q&A-11 in Notice 2009-48 for more information.

**Issue date of contract.** Generally, the issue date of a life insurance contract is the date on the policy assigned by the insurance company on or after the date of application. For purposes of meeting the notice and consent requirements, the issue date of the employer-owned life insurance contract is the later of (1) the date of application of coverage, (2) the effective date of coverage, or (3) the formal issuance of the contract. See Q&A-4 in Notice 2009-48 for more information.



**Regulation Section 1.263(a)-1(f) - De Minimis  
Safe Harbor Election**

Taxpayer Name: LIFE INSURANCE COMPANY OF ALABAMA

Taxpayer Address: P.O. BOX 349 GADSDEN AL 35902

Taxpayer ID Number: 63-0321291

Year-End: 12/31/2016

Under IRC Regulation Section 1.263(a)-1(f), the taxpayer hereby elects to apply the de minimis safe harbor election.

1120-L, PAGE 1 DETAIL

PAGE 1, LINE 7: OTHER INCOME

-----  
DETAIL OF WRITE-INS FOR MISCELLANEOUS INCOME:

MISCELLANEOUS INCOME

14,647.

TOTAL OTHER INCOME

-----  
14,647.  
=====

PAGE 1, LINE 18: OTHER DEDUCTIONS

-----  
OTHER DEDUCTIONS FROM SCHEDULE G, LINE 11

15,164,330.

TOTAL OTHER DEDUCTIONS

-----  
15,164,330.  
=====

1120-L, PAGE 2 DETAIL

SCHEDULE B, LINE 1:

INTEREST (EXCLUDING TAX EXEMPT INTEREST)

U.S. GOVERNMENT BONDS	34,113.
TAX EXEMPT INTEREST	126,198.
OTHER BONDS (UNAFFILIATED)	4,927,190.
CONTRACT LOANS	249,555.
CASH AND SHORT TERM INVESTMENTS	948.
OTHER INVESTED ASSETS	81,990.
AGGREGATE WRITE-INS FOR INVESTMENT INCOME	995.
OTHER INTEREST TAX ADJUSTMENTS	-61,008.
-----	
SUBTOTAL: GROSS INTEREST INCOME INCLUDING TAX EXEMPT	5,359,981.
LESS: TAX EXEMPT INTEREST	126,198.
-----	
SUBTOTAL	5,233,783.
=====	

ADJUSTMENT FOR ACCRUAL OF MARKET DISCOUNT DETAIL

TOTAL FROM NAIC EXHIBIT 2	57,490.
-----	
SUBTOTAL	57,490.
-----	

OTHER INTEREST TAX ADJUSTMENTS DETAIL

CHANGE UNEARNED INTEREST	-61,008.
-----	
SUBTOTAL	-61,008.
-----	

TAX EXEMPT INTEREST DETAIL

TAX EXEMPT INTEREST COLLECTED DURING THE YEAR	126,198.
-----	
SUBTOTAL	126,198.
-----	

1120-L, PAGE 3 DETAIL

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	BEGINNING	ENDING OF TAX YEAR
	-----	-----
SCHEDULE F, LINE 1: LIFE INSURANCE RESERVES		
-----		
	58,784,868.	60,478,478.
	-----	-----
	58,784,868.	60,478,478.
	=====	=====

SCHEDULE F, LINE 2: UNEARNED PREMIUMS AND UNPAID LOSSES		
-----		
	762,097.	497,975.
	-----	-----
	762,097.	497,975.
	=====	=====

SCHEDULE F, LINE 3: SUPPLEMENTARY CONTRACTS		
-----		
	237,057.	164,209.
	-----	-----
	237,057.	164,209.
	=====	=====

SCHEDULE F, LINE 4: DIVIDEND ACCUMULATIONS AND OTHER AMOUNTS		
-----		
	1,110,269.	1,038,359.
	-----	-----
	1,110,269.	1,038,359.
	=====	=====

SCHEDULE F, LINE 5: ADVANCE PREMIUMS		
-----		
	349,603.	304,972.
	-----	-----
	349,603.	304,972.
	=====	=====

1120-L, PAGE 3 DETAIL

=====

SCHEDULE F, LINE 6:  
SPECIAL CONTINGENCY RESERVES

-----

-----	NONE	-----	NONE
-----	NONE	-----	NONE
=====	=====	=====	=====

SCHEDULE F, LINE 10A  
REQUIRED INTEREST ON RESERVES

-----

-----	MEAN	REQ. INTEREST
-----	-----	-----
SECTION 807(C)(1) SUMMARY	59,631,673.	2,993,017.
SECTION 807(C)(3) SUMMARY	200,633.	11,035.
SECTION 807(C)(4) SUMMARY	1,074,314.	53,716.
SECTION 807(C)(5) SUMMARY	327,288.	NONE
SECTION 807(C)(6) SUMMARY	NONE	NONE

-----  
3,057,768.  
=====

1120-L, PAGE 3 DETAIL

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SCHEDULE F, LINE 28: NET INVESTMENT INCOME

-----

GROSS INVESTMENT INCOME (LINE 9)	5,573,562.
APPLICABLE PERCENTAGE	90.00
	-----
NET INVESTMENT INCOME	5,016,206.
	=====

## 1120-L, PAGE 3 DETAIL

RESERVES RECONCILIATION	PRIOR YEAR	CURRENT YEAR	DIFFERENCE	SCH N ADJ.
1 SECTION 807(C)(1), SCHEDULE F, LINE 1:				
A RESERVE FOR LIFE POLICIES CONTRACTS	41,530,306.	43,315,831.	1,785,525.	
B RESERVES FOR A & H POLICIES	22,880,174.	22,493,747.	-386,427.	
C LESS:				
UNEARNED PREMIUMS AND UNPAID LOSS RES. ON				
A & H POLICY & CONTRACTS - NET OF REINS. CEDED	22,122,114.	22,004,064.	-118,050.	
RECLASS OF NAIC EXHIBIT 6 CLAIM RESERVE	758,060.	489,683.	-268,377.	
E SUBTOTAL OF SCHEDULE F, LINE 1 RESERVE	41,530,306.	43,315,831.	1,785,525.	
2 SECTION 807(C)(1), SCHEDULE F, LINE 2:				
A UNEARNED PREMIUM AND UNPAID LOSS RESERVE ON				
A & H POLICY & CONTRACTS - NET OF REINSURANCE CEDED	22,122,114.	22,004,064.	-118,050.	
C RECLASS OF NAIC EXHIBIT 6 CLAIM RESERVE	758,060.	489,683.	-268,377.	
F SUBTOTAL OF SCHEDULE F, LINE 2 RESERVE	22,880,174.	22,493,747.	-386,427.	
3 SECTION 807(C)(3), SCHEDULE F, LINE 3:				
A SUPPLEMENTARY CONTRACTS	1,347,326.	1,202,568.	-144,758.	
D SUBTOTAL OF SCHEDULE F, LINE 3	1,347,326.	1,202,568.	-144,758.	
5 SECTION 807(C)(5), SCHEDULE F, LINE 5:				
A ADVANCE PREMIUMS AND PREMIUM DEPOSIT FUNDS	349,603.	304,972.	-44,631.	44,631.
C SUBTOTAL OF SCHEDULE F, LINE 5	349,603.	304,972.	-44,631.	
7 TOTAL OF SCHEDULE F SUBTOTALS	66,107,409.	67,317,118.	1,209,709.	
8 AMOUNTS REPORTED ON SCHEDULE F, LINE 7	61,243,894.	62,483,993.	1,240,099.	
9 ANNUAL STATEMENT TO TAX DIFFERENCES	4,863,515.	4,833,125.	-30,390.	

1120-L, PAGE 4 DETAIL

SCH G, LINE 9: GENERAL DEDUCTIONS

GENERAL EXPENSES:

RENT	166,428.
SALARIES AND WAGES	4,687,004.
CONTRIBUTIONS FOR BENEFIT PLANS FOR EMPLOYEES	809,286.
OTHER EMPLOYEE WELFARE	19,501.
OTHER AGENT WELFARE	92,434.
LEGAL FEES AND EXPENSES	52,257.
MEDICAL EXAMINATION FEES	120,654.
INSPECTION REPORT FEES	17,634.
FEES FOR PUBLIC ACCOUNTANTS AND CONSULTING ACTUARIES	415,730.
EXPENSE OF INVESTIGATION AND SETTLEMENT OF POLICY CLAIMS	-29,810.
TRAVELING EXPENSES	268,489.
ADVERTISING	36,863.
POSTAGE, EXPRESS, TELEGRAPH AND TELEPHONE	252,702.
PRINTING AND STATIONERY	29,840.
COST OR DEPRECIATION OF FURNITURE AND EQUIPMENT	134,319.
RENTAL OF EQUIPMENT	122,405.
BOOKS AND PERIODICALS	3,826.
BUREAU AND ASSOCIATION FEES	37,508.
INSURANCE, EXCEPT ON REAL ESTATE	157,806.
MISCELLANEOUS LOSSES	911.
COLLECTION AND BANK SERVICE CHARGES	83,044.
SUNDRY GENERAL EXPENSES	269,144.
GROUP SERVICE AND ADMINISTRATIVE FEES	11,398.
AGENTS' BALANCES CHARGED OFF	52,556.
AGENCY CONFERENCES OTHER THAN LOCAL MEETINGS	666,072.
REAL ESTATE EXPENSES	66,773.
WRITE-INS FOR GENERAL EXPENSES	140,131.
OTHER GENERAL EXPENSE RECLASSIFIED ITEMS	1,383,180.

SUNDRY GENERAL EXPENSES DETAIL

SUBTOTAL	269,144.
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INVESTMENT EXPENSES NOT INCLUDED ELSEWHERE

SUBTOTAL	106,124.
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TOTAL - GENERAL EXPENSES	10,174,209.
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1120-L, PAGE 4 DETAIL

SCH G, LINE 9: GENERAL DEDUCTIONS (CONT'D)

TAXES, LICENSES AND FEES:

REAL ESTATE TAXES	16,942.
STATE INSURANCE DEPT. LICENSES AND FEES	64,387.
STATE TAXES ON PREMIUMS	600,570.
OTHER STATE TAXES	91,443.
U.S. SOCIAL SECURITY TAXES	257,295.
ALL OTHER TAXES	35,216.

TOTAL - TAXES LICENSES AND FEES 1,065,853.

ALL OTHER EXPENSES:

COMMISSIONS ON PREMIUMS AND ANNUITY CONSIDERATIONS	6,899,348.
WRITE-INS FOR DEDUCTIONS	674,886.
DEPREC. ON REAL ESTATE & OTHER INVESTED ASSETS	52,389.

TOTAL - ALL OTHER EXPENSES 7,626,623.

ADDITIONAL ITEMS AND ADJUSTMENTS:

HOME OFFICE RENTAL EXPENSE	-95,969.
LESS: MEALS AND ENTERTAINMENT DISALLOWED	60,345.
OTHER ADDITIONAL DEDUCTIONS RECLASSIFIED ITEMS	16,156.
OTHER ADDITIONAL DEDUCTIONS TAX ADJUSTMENTS	-776,781.

TOTAL ADDITIONAL ITEMS AND ADJUSTMENTS -916,939.

GRAND TOTAL - OTHER DEDUCTIONS 17,949,746.

DEPRECIATION DETAIL

COST OR DEPRECIATION OF FURNITURE AND EQUIPMENT	60,442.
COST OR DEPRECIATION OF EDP EQUIPMENT AND SOFTWARE	1,473,685.
STATUTORY GAIN OR LOSS ON SALE OF SECTION 1245 1250, ETC. PROPERTY INCLUDED IN THE LINE ABOVE	

NAIC AMOUNT	1,534,127.
ELIMINATION OF DEPR. FROM NAIC ANNUAL STMT.	-1,534,127.
ALLOWABLE TAX DEPRECIATION FROM FORM 4562	134,319.

134,319.

SUBTOTAL

1120-L, PAGE 4 DETAIL

SCH G, LINE 9: GENERAL DEDUCTIONS (CONT'D)

WRITE-INS FOR ADDITIONAL DEDUCTIONS DETAIL

SUBTOTAL OF WRITE-INS FOR GENERAL EXPENSES	44,011.
SUMMARY OF REMAINING WRITE-INS FROM OVERFLOW PAGE	96,120.
SUBTOTAL	140,131.

SUMMARY OF REMAINING WRITE-INS FROM OVERFLOW PAGE (GENERAL EXPENSES) DETAIL

DEPRECIATION - AUTO	3,203.
RETIREMENT BENEFIT	92,917.
SUBTOTAL	96,120.

OTHER GENERAL EXPENSE RECLASSES ITEMS DETAIL

COST OF FURNITURE AND EQUIPMENT	1,383,180.
SUBTOTAL	1,383,180.

WRITE-INS FOR DEDUCTIONS DETAIL

CHANGE IN LIABILITY FOR BENEFITS FOR	674,886.
SUBTOTAL	674,886.

OTHER ADDITIONAL DEDUCTIONS RECLASSIFIED ITEMS DETAIL

NET AMORTIZATION TAX EXEMPT BONDS	16,156.
SUBTOTAL	16,156.

1120-L, PAGE 4 DETAIL

SCH G, LINE 9: GENERAL DEDUCTIONS (CONT'D)

OTHER ADDITIONAL DEDUCTIONS TAX ADJUSTMENTS DETAIL

NONDEDUCTIBLE PENALTIES	-601.
NONDEDUCTIBLE DUES	-37,507.
NONDEDUCTIBLE OFFICER LIFE INSURANCE	-58,856.
NONDEDUCTIBLE CONTRIBUTIONS	-4,931.
NONDEDUCTIBLE SICK LEAVE	-674,886.
	-----
SUBTOTAL	-776,781.
	-----

1120-L, PAGE 4 DETAIL

SCHEDULE G, LINE 19  
 SPECIFIED POLICY ACQUISITION EXPENSES  
 CAPITALIZED IN PRIOR YEARS AND DEDUCTIBLE THIS YEAR

YEAR, AMORT'N PERIOD	UNAMORTIZED BALANCE BEGIN OF YEAR	CURRENT YR. NEGATIVE OFFSET (LINE 14)	ADJUSTED BALANCE BEGIN OF YEAR	AMOUNT AMORT. IN CURRENT YR. (LINE 19)	ADJUSTED BALANCE END OF YEAR
2015 / 120					
2015 / 60	2,523,972.		2,523,972.	560,883.	1,963,089.
2014 / 120					
2014 / 60	2,020,111.		2,020,111.	577,175.	1,442,936.
2013 / 120					
2013 / 60	1,427,537.		1,427,537.	571,015.	856,522.
2012 / 120					
2012 / 60	879,355.		879,355.	586,237.	293,118.
2011 / 120					
2011 / 60					
2010 / 120					
2009 / 120					
2008 / 120					
2007 / 120					
2006 / 120					
	6,850,975.		6,850,975.	2,597,282.	4,555,665.

1120-L, PAGE 7 DETAIL

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	BEGINNING	ENDING	FMV ADJ.	OTHER ADJ.	NET TOTAL
	-----	-----	-----	-----	-----
SCHEDULE L, PART I, LINE 4: OTHER ASSETS					
-----					
BONDS	98,696,373.	101,227,881.			101,227,881.
CASH	411,448.	1,173,782.			1,173,782.
CONTRACT LOANS	3,485,737.	3,608,069.			3,608,069.
OTHER INVESTED ASSETS	985,000.	685,545.			685,545.
INVESTMENT INCOME DUE AND ACCRUED	1,264,272.	1,269,659.			1,269,659.
UNCOLLECTED PREMIUMS AND AGENT BALANCES	409,352.	492,965.			492,965.
LIFE INSURANCE PREMIUMS & ANNUITY CONSIDERATIONS					
DEFERRED AND UNCOLLECTED ON IN FORCE BUSINESS	2,571,686.	2,589,449.			2,589,449.
AMOUNTS RECOVERABLE FROM REINSURERS	62,208.	77,034.			77,034.
OTHER AMOUNTS RECEIVABLE UNDER REINSURANCE CONTRACTS	9,701.	3,437.			3,437.
FEDERAL AND FOREIGN INCOME TAX RECOVERABLE		180,570.			180,570.
DEFERRED TAX ASSETS	1,458,086.	1,592,270.			1,592,270.
ELECTRONIC DATA PROCESSING EQUIPMENT AND SOFTWARE	146,742.	109,314.			109,314.
AGGREGATE WRITE-INS FOR OTHER THAN INVESTED ASSETS:					
CASH SURRENDER VALUE CO	2,174,441.	2,399,093.			2,399,093.
-----	-----	-----	-----	-----	-----
SUBTOTAL	111,675,046.	115,409,068.			115,409,068.
-----	-----	-----	-----	-----	-----
TOTAL - OTHER ASSETS	111,675,046.	115,409,068.			115,409,068.
=====	=====	=====	=====	=====	=====

1120-L, PAGE 8 DETAIL

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SCHEDULE M, QUESTION #: 3
TOTAL RESERVES COMPUTATION
-----
AGGREGATE RESERVES FOR
  LIFE POLICIES AND CONTRACTS
AGGREGATE RESERVE FOR
  GUARANTEED RENEWABLE A & H
POLICY AND CONTRACT CLAIMS
  ON GUARANTEED RENEWABLE A & H
ADJUSTMENTS:
LESS: POLICY LOANS
-----
TOTAL LIFE INSURANCE RESERVES
=====
AGGREGATE RESERVE FOR
  LIFE POLICIES AND CONTRACTS
AGGREGATE RESERVE FOR A & H POLICIES
POLICY AND CONTRACT CLAIMS A & H
ADJUSTMENTS:
LESS: POLICY LOANS
-----
TOTAL RESERVES
=====
MEAN OF TOTAL LIFE INSURANCE RESERVES
MEAN OF TOTAL RESERVES
-----
PERCENTAGE TO SCHEDULE M, QUESTION 3
    
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	END OF CY	END OF PY
	-----	-----
AGGREGATE RESERVES FOR		
LIFE POLICIES AND CONTRACTS	43,315,831.	41,530,306.
AGGREGATE RESERVE FOR		
GUARANTEED RENEWABLE A & H	20,824,433.	21,014,291.
POLICY AND CONTRACT CLAIMS		
ON GUARANTEED RENEWABLE A & H	485,560.	753,459.
ADJUSTMENTS:		
LESS: POLICY LOANS	3,608,069.	3,485,737.
-----	-----	-----
TOTAL LIFE INSURANCE RESERVES	61,017,755.	59,812,319.
=====	=====	=====
AGGREGATE RESERVE FOR		
LIFE POLICIES AND CONTRACTS	43,315,831.	41,530,306.
AGGREGATE RESERVE FOR A & H POLICIES	22,493,747.	22,880,174.
POLICY AND CONTRACT CLAIMS A & H	4,465,079.	4,634,061.
ADJUSTMENTS:		
LESS: POLICY LOANS	3,608,069.	3,485,737.
-----	-----	-----
TOTAL RESERVES	66,666,588.	65,558,804.
=====	=====	=====
MEAN OF TOTAL LIFE INSURANCE RESERVES		60,415,037.
MEAN OF TOTAL RESERVES		66,112,696.
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PERCENTAGE TO SCHEDULE M, QUESTION 3		91.3819

1120-L, PAGE 8 DETAIL

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SCHEDULE M, QUESTION 5 DETAIL

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NAME LICOA BROKERAGE SERVICE

IDENTIFYING NUMBER.....	63-0994993
PERCENTAGE OWNED.....	100.00
TAXABLE INCOME OR (LOSS).....	

SCHEDULE N: RECONCILIATION OF NAIC ANNUAL STATEMENT INCOME TO TAXABLE INCOME

	PREMIUM INCOME	RESERVES	INVESTMENT INCOME	OTHER INCOME	BENEFITS	OTHER DEDUCTIONS	SPECIAL ITEMS	GAIN FROM OPERATIONS
GFO PER NAIC ANNUAL STATEMENT.....	36,013,266.	-1,399,098.	5,270,610.	326,354.	-19,247,908.	-18,572,969.	-11,716.	2,378,539.
RECLASSES OF STATUTORY GFO.....		144,758.	346,467.		-144,758.	-1,745,803.		-1,399,336.
RECLASSIFIED GFO BEFORE TAX ADJUSTMENTS.	36,013,266.	-1,254,340.	5,617,077.	326,354.	-19,392,666.	-20,318,772.	-11,716.	979,203.
TAX ADJUSTMENTS:								
CHANGE IN DEFERRED & UNCOL. PREMIUMS.	-140,937.							-140,937.
CHANGE IN ADV. PREM'S & DEPO. FUNDS..	-44,631.	44,631.						
EXCESS INT., PREM. ADJ'S AND REFUNDS.	4,178.						-4,178.	
ELIMINATION OF TAX-EXEMPT INT., NET		77,052.	-126,198.					-49,146.
ELIM. OF ACCRUAL OF MARKET DISCOUNT..			-57,490.					-57,490.
ELIMINATION OF HOME OFFICE RENT.....			-91,140.			91,140.		
CHANGE IN DUE AND ACCRUED DIVIDENDS..			-823.					-823.
NET SHORT TERM CAPITAL GAINS.....			98,131.					98,131.
OTHER INVESTMENT INCOME ADJUSTMENTS..			-61,008.					-61,008.
ELIMINATION OF NAIC AMORT./(IMR).....				-211,709.				-211,709.
ELIMINATION OF CHANGE IN LOADING.....						36,124.		36,124.
ELIMINATION OF NAIC DEPRECIATION.....						1,534,127.		1,534,127.
ALLOWABLE TAX DEPRECIATION.....						-134,319.		-134,319.
AMORTIZATION OF POLICY ACQ. EXPENSES.						-2,875,824.		-2,875,824.
OTHER TAX ITEMS & ADJ. TO OTHER DED..						3,562,197.		3,562,197.
DIVIDENDS-RECEIVED DEDUCTION.....							-31,384.	-31,384.
NET LONG TERM CAP. GAINS FROM SCH. D							278,099.	278,099.
SMALL LIFE INSURANCE CO. DEDUCTION...							-1,752,709.	-1,752,709.
CHANGE IN PROVISION FOR DIVID'S PAY.							-950.	-950.
TOTAL TAX ADJUSTMENTS.....	-181,390.	121,683.	-238,528.	-211,709.		2,213,445.	-1,511,122.	192,379.
TAXABLE INCOME.....	35,825,165.	-1,163,047.	5,447,364.	14,647.	-19,392,665.	-18,040,154.	-1,522,838.	1,168,472.



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SCHEDULE N: RECONCILIATION OF NAIC ANNUAL STATEMENT INCOME TO TAXABLE INCOME

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	PREMIUM INCOME	RESERVES	INVESTMENT INCOME	OTHER INCOME	BENEFITS	OTHER DEDUCTIONS	SPECIAL ITEMS	GAIN FROM OPERATIONS
	-----	-----	-----	-----	-----	-----	-----	-----
OTHER INVESTMENT INCOME ADJUSTMENTS DETAIL								
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OTHER INTEREST ADJ'S.....			-61,008.					
			-----					
SUBTOTAL .....			-61,008.					
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SCHEDULE N: RECONCILIATION OF NAIC ANNUAL STATEMENT INCOME TO TAXABLE INCOME

-----

	PREMIUM INCOME	RESERVES	INVESTMENT INCOME	OTHER INCOME	BENEFITS	OTHER DEDUCTIONS	SPECIAL ITEMS	GAIN FROM OPERATIONS
	-----	-----	-----	-----	-----	-----	-----	-----
SUMMARY OF STATUTORY RECLASS ITEMS								
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INVESTMENT EXPENSES			-346,467.					-346,467.
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TOTAL INCOME RECLASSES		144,758.	346,467.					491,225.
-----								
INVESTMENT EXPENSES						346,467.		346,467.
OTHER DEDUCTIONS						1,399,336.		1,399,336.
-----								
TOTAL DEDUCTIONS RECLASSES					-144,758.	-1,745,803.		-1,890,561.
-----								
TOTAL RECLASSES		144,758.	346,467.		-144,758.	-1,745,803.		-1,399,336.
=====	=====	=====	=====	=====	=====	=====	=====	=====

SCHEDULE M-3, PART II DETAIL

LINE 25 - OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES

DESCRIPTION	INCOME (LOSS) PER INCOME STMT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	INCOME (LOSS) PER TAX RETURN
CHANGE IN ADVANCE PREMIUMS	44,631.	-44,631.		
CHANGE IN PREMIUM DEPOSIT FUNDS	6,711.	-6,711.		
CASH BASIS DIVIDENDS	823.	-823.		
LIFE INSURANCE PROCEEDS	100,000.		-100,000.	
TOTAL	152,165.	-52,165.	-100,000.	

SCHEDULE M-3, PART II DETAIL

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LINE 28 - OTHER INCOME (LOSS) AND  
EXPENSE/DEDUCTION ITEMS WITH NO DIFFERENCES

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OTHER INCOME/EXPENSE ITEMS WITH NO DIFFERENCES

-1,225,168.

TOTAL

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-1,225,168.  
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SCHEDULE M-3, PART III DETAIL

LINE 40 - OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES

DESCRIPTION	EXPENSE PER INCOME STMT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
NONDEDUCTIBLE DUES	37,507.		-37,507.	
CHANGE IN LOADING	36,124.	-36,124.		
POLICYHOLDER DIVIDENDS	NONE	950.		950.
CHANGE IN DEPOSIT TYPE CONTRACTS	NONE	144,759.		144,759.
NONDEDUCTIBLE SICK LEAVE	674,886.	-674,886.		
TOTAL	748,517.	-565,301.	-37,507.	145,709.

TAX ADJUSTMENTS DETAIL:

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TAX ADJUSTMENTS DETAIL:

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CHANGE IN DEFERRED AND UNCOLLECTED PREMIUMS	-140,937.
CHANGE IN ADVANCE PREMIUMS AND DEPOSIT FUNDS	-44,631.
EXCESS INTEREST, PREMIUM ADJUSTMENTS, AND REFUNDS	4,178.
OTHER GROSS AND RETURN PREMIUM ITEMS	
OTHER TAX ADJUSTMENTS	
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	-181,390.
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FORM 4626 DETAIL

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LINE 4D - ACE ADJUSTMENT

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	2008	2009	2010	2011	2012	2013
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ACE .....					4,585,839.	3,512,000.
AMTI .....					2,251,867.	1,082,125.
ACE OVER AMTI .....					2,333,972.	2,429,875.
AMTI OVER ACE .....						
75% ACE PREFERENCE .					1,750,479.	1,822,406.
75% ACE REDUCTION ..						
CARRYOVER CREATED ..					1,750,479.	1,822,406.
PRIOR YR CARRYOVER (REDUCTION ALLOWED)						1,750,479.
CARRYOVER USED (REDUCTION CLAIMED)						
CARRYOVER REMAINING					1,750,479.	3,572,885.

FORM 4626 DETAIL

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LINE 4D - ACE ADJUSTMENT

	2014	2015	2016
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ACE .....	8,652,967.	4,106,238.	3,009,199.
AMTI .....	6,955,023.	2,108,964.	1,175,960.
ACE OVER AMTI .....	1,697,944.	1,997,274.	1,833,239.
AMTI OVER ACE .....			
75% ACE PREFERENCE .	1,273,458.	1,497,956.	1,374,929.
75% ACE REDUCTION ..			
CARRYOVER CREATED ..	1,273,458.	1,497,956.	1,374,929.
PRIOR YR CARRYOVER (REDUCTION ALLOWED)	3,572,885.	4,846,343.	6,344,299.
CARRYOVER USED (REDUCTION CLAIMED)			
CARRYOVER REMAINING	4,846,343.	6,344,299.	7,719,228.



ACE WORKSHEET DETAIL

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LINE 4E - OTHER DISALLOWANCE ITEMS

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SMALL LIFE INSURANCE COMPANY DEDUCTION

1,752,709.

TOTAL

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1,752,709.  
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