



Form 63-29A Ocean Marine Profits Tax Return

2012

Massachusetts
Department of
Revenue

To be filed by domestic and foreign insurance companies which are subject to the provisions of Massachusetts General Laws, Ch. 63, section 29A.
For calendar year 2012 or taxable year beginning 2012 and ending

Name of company

Federal Identification number

Mailing address

City/Town

State

Zip

Name of treasurer

Organized under the laws of

Has the federal government changed your taxable income for any prior year which has not yet been reported to Massachusetts? ☐ Yes ☐ No.

All amounts must be properly entered on all forms. Failure will result in a penalty assessment. Attachments are not sufficient compliance.

Under the penalties of perjury, I declare that to the best of my knowledge and belief, this return and enclosures are true, correct and complete.

Signature of appropriate corporate officer

Social Security number

Telephone number

Date

Individual or firm signature of preparer

Employer Identification number

Address

Date

If you are signing as an authorized delegate of the appropriate corporate officer, check here ☐ and enclose Massachusetts Form M-2848, Power of Attorney. The Privacy Act Notice is available upon request.

General Instructions

Where marine premiums are called for in this return, only premiums on goods or other insurable interests in the course of exportation, importation or transportation coastwise, or upon these goods or insurable interests while being prepared for or awaiting such shipment are to be included. The Massachusetts marine premiums not included in the foregoing classification are not subject to the provisions of sec. 29A of Ch. 63 of the Massachusetts General Laws but may be taxable under sec. 22 (domestic company) or sec. 23 (foreign company).

All companies which reasonably estimate their excise to be in excess of \$1,000 are required to pay quarterly estimates of 40%, 25%, 25% and 10% of the tax due. Any inquiries relative to the filing of estimated tax payments should be addressed to the Massachusetts Department of Revenue, Banking and Insurance Unit, PO Box 7052, Boston, MA 02204.

The actual estimated tax payments made must agree with the estimated tax payments shown on each return. All returns filed are on account of separate and distinct taxes, and payments made on account thereof should be so treated. An overpayment of one tax may not be taken as a credit against the current year's liability of another tax.

To obtain any of the following schedules, instructions or TIRs, visit our website at www.mass.gov/dor.

Economic Opportunity Area Credit. For information regarding the Economic Opportunity Area Credit, see Schedule EOAC and instructions.

Economic Development Incentive Program Credit. This credit is effective for tax years beginning on or after January 1, 2010. For further information, see TIR 10-1.

Low-Income Housing Credit. For information regarding the Low-Income Housing Credit, contact the Department of Housing and Community Development, Division of Private Housing, at (617) 727-7824.

Historic Rehabilitation Credit. For information regarding the Historic Rehabilitation Credit, see Regulation 830 CMR63.38R.1, Massachusetts Historic Rehabilitation Credit.

Film Incentive Credit. For information regarding the Film Incentive Credit, see TIR 06-1.

Medical Device Credit. For information regarding the Medical Device Credit, see TIR 06-22.

Brownfields Credit. For information regarding the Brownfields Credit, see TIR 06-16.

Life Science Credit. For information regarding the Life Science Credit, see TIR 08-23.

Voluntary Contribution. A corporation may contribute any amount to the Natural Heritage and Endangered Species Fund. Contributions are applied to conservation programs for the protection of rare and endangered plants and non-game wildlife within Massachusetts. This contribution will increase the balance due or decrease the amount of refund.

Reproduction of Forms. Reproduction of forms must be approved prior to filing. They must meet the criteria outlined in TIR 95-8.

This return, together with payment in full, is due on or before May 15, 2013.

Any portion of this excise not paid by the due date bears interest at the applicable rate, and a penalty of 1% per month, up to a maximum of 25% of the tax due. Failure to file this return on time incurs a penalty of 1% per month (or fraction thereof), up to a maximum of 25% of the tax due.

Mail to: **Massachusetts Department of Revenue, PO Box 7052, Boston, MA 02204.** Make check or money order payable to: **Commonwealth of Massachusetts.**

Enter dividends paid or credited to policyholders during the taxable year 2012 for United States marine business subject to Section 29A of MGL, Chapter 63.

1 On direct business	1	
2 On reinsurance assumed	2	
3 Total	3	
4 Less dividends received on reinsurance paid	4	
5 Net dividends paid or credited during 2012 on U.S. 29A Marine (from Profit Schedule, line 8)	5	

Federal Income Tax Deduction Schedule

Lines 6 through 12 refer to Profit Schedule, line 10.

6 Total amount of federal income tax (actual) on business year 2012 **6**
 Give date for filing federal return _____
 In support of line 6, furnish a copy of your U.S. Corporation Income Tax Return, Form 1120. State the amount of underwriting gain and of investment income that comprise "Taxable Income" in line 30 of said return. If above date indicates federal return is not yet filed, state that line 6 is estimated. Submit aforementioned copy when available and the recomputation of lines 6 to 12 if necessary.

Part of 6 covering

Part of 6 covering		Total tax on
7	Investment income	7

	Normal tax	or	Normal and surtax	Excess profits tax
8 Underwriting gain	8			
9 Underwriting profit — all classes (Insurance Expense Exhibit, Part II)				9
10 Underwriting profit (United States 29A Marine from page 3, line 9)				10
11 Ratio: $\frac{\text{Underwriting profit — United States 29A Marine, line 10}}{\text{Underwriting profit — all classes, item 9}}$				11
12 Federal income tax on 2012 U.S. 29A Marine Business return. Obtain as follows:				12
If ratio in line 11 is less than 100%, apply said ratio to line 8.				
If ratio in line 11 exceeds 100%, the following ratio is to be applied to line 8:				
$\frac{\text{Underwriting profit — United States 29A Marine, line 10}}{\text{Sum of underwriting gains of all classes showing gains in Expense Exhibit. Part II}}$				

Ocean Marine Underwriting Profit Per Expense Exhibit

Complete the following schedule. The ocean marine underwriting profit as reported in the insurance expense exhibit is to be allocated to alien and United States with no adjustment in the latter for exclusion of prior losses. Give percentages that losses incurred and expenses incurred bear to earned premiums.

	– Foreign –			– United States –		
		Pct.			Pct.	
Net earned premiums						
Net losses incurred						
Net expenses incurred						
Underwriting profit	Foreign			United States		

Profit Schedule

1	Net premiums on marine insurance written in the United States during the taxable year, meaning gross premiums less return premiums, premiums on policies not taken and net premiums paid for reinsurance (from Supplementary Schedule, line 5, col. d)	▶ 1	
2	Subtract unearned premiums on such marine insurance at end of taxable year	▶ 2	
3	Total	▶ 3	
4	Add unearned premiums on such marine insurance at the beginning of year	▶ 4	
5	Net earned premiums on United States 29A marine insurance for taxable year	▶ 5	
6	Subtract net losses incurred (from Net Loss Schedule, line 9)	▶ 6	
7	Subtract net expenses incurred (from Supplementary Schedule, line 17)	▶ 7	
8	Subtract dividends paid or credited to policyholders (from Dividend Deduction Schedule, line 5)	▶ 8	
9	Balance	▶ 9	
10	Subtract federal income tax (from Dividend Deduction Schedule, line 12)	▶ 10	
11	Balance	▶ 11	
12	Add excess of total of lines 7 and 10 over 40% of net premiums (from line 1). Not less than "0"	▶ 12	
13	Net underwriting profit on United States 29A Marine taxable year 2012	▶ 13	

Calculation of Tax

14	Net underwriting profit for the year ended December 31, 2012 (from Profit Schedule, line 13)	▶ 14	
15	Net underwriting profit for the year ended December 31, 2011	▶ 15	
16	Net underwriting profit for the year ended December 31, 2010	▶ 16	
17	Total for three-year period. Add lines 14 through 16	17	
18	Divide line 17 by 3	▶ 18	
19	Ratio — $\frac{\text{average Massachusetts marine premiums}}{\text{average United States marine premiums}}$ percentage (from Ratio Schedule, line 11)	▶ 19	
20	Amount taxable (apply percentage in line 19 to line 18)	▶ 20	
21	Tax at 5.7%	21	
22	Credit recapture (enclose Schedule H-2)	▶ 22	
23	Tax due before credits. Add lines 21 and 22	23	
24	Economic Opportunity Area Credit (enclose Schedule EOAC)	▶ 24	
25	Economic Development Incentive Program Credit. Certificate number ▶	▶ 25	
26	Low-Income Housing Credit. Building Identification number ▶	▶ 26	
27	Historic Rehabilitation Credit. Certificate number ▶	▶ 27	
28	Film Incentive Credit. Certificate number ▶	▶ 28	
29	Medical Device Credit. Certificate number ▶	▶ 29	
30	Brownfields Credit. Certificate number ▶	▶ 30	
31	Life Science Company Investment Tax Credit under section 38U	▶ 31	
32	Life Science Company FDA User Fee Credit under section 31M	▶ 32	
33	Life Science Company Research and Development Credit under section 38W	▶ 33	
34	Total credits. Add lines 24 through 33	▶ 34	
35	Excise due before voluntary contribution. Subtract line 34 from line 23. Not less than "0"	35	
36	Voluntary contribution for endangered wildlife conservation	▶ 36	
37	Excise due plus voluntary contribution. Add lines 35 and 36	▶ 37	
38	2011 overpayment applied to 2012 estimated tax	▶ 38	
39	2012 Massachusetts estimated tax payments. Do not include amount from line 38	▶ 39	
40	Payments made with extension	▶ 40	
41	Pass-through entity withholding. Payer Identification number ▶	▶ 41	
42	Refundable Film Credit	▶ 42	
43	Refundable Dairy Credit. Certificate number ▶	▶ 43	
44	Refundable Life Science Credit	▶ 44	
45	Refundable Life Science Jobs Credit	▶ 45	
46	Refundable Economic Development Incentive Program Credit	▶ 46	
47	Refundable Conservation Land Credit. Certificate number ▶	▶ 47	
48	Total payments. Add lines 38 through 47	48	
49	If total in line 48 is larger than line 37, enter amount overpaid	49	
50	Amount of line 49 to be credited to 2013 estimated tax	▶ 50	
51	Amount of line 49 to be refunded. Subtract line 50 from line 49	▶ 51	
52	If line 37 is larger than the total in line 48, enter the balance due	52	
53	M-2220 penalty ▶ \$; Other penalties ▶ \$. Total penalty	53	
54	Interest on unpaid balance	▶ 54	
55	Total payment due at time of filing	▶ 55	

Supplementary Schedule

Premiums Written

1 Direct (net of refunded) 1

2 Reinsurance assumed (net of returned) 2

3 Total. Add lines 1 and 2. 3

4 Deduct: Reinsurance premiums ceded 4

5 Net premiums retained 5

Losses Paid

6 On direct writings (salvage deducted) 6

7 On reinsurance assumed (salvage deducted) 7

8 Total. Add lines 6 and 7. 8

9 Deduct: recoveries on reinsurance ceded 9

10 Net losses paid 10

Ocean Marine Expenses

Col. a should agree with corresponding lines in Insurance Expense Exhibit.

11 Loss adjustment expenses. 11

12 Commission and brokerage 12

13 Other acquisition, field supervision and collection expenses 13

14 General expenses 14

15 Taxes licenses and fees excluding federal income and real estate taxes. 15

16 Totals. 16

a. Entire business all classes	b. Foreign — all classes line 5(c) ocean marine and 10(d) all others	c. Business within United States all classes Subtract col. b from col. a	Classification of business within United States			g. Lines in col. d written in Massachusetts	h. Lines in col. d applying to losses incurred prior to January 1, 1945 or date applicable
			d. Marine as per Section 29A	e. Marine, other than as per Section 29A	f. All other classes		
						*a _____ *b _____	
						**	
	c _____ d _____						
	c _____ d _____						
Paid		Incurred	Incurred	*Show separation into (a) authorized and (b) unauthorized reinsurance. **Reconciliation of line 5, col. g with annual statement, page 14. Show pools, exchange, treaties and the amounts assumed and ceded through each.			
a. Total ocean marine business	b. Foreign ocean marine business	c. Foreign ocean marine business	d. Ocean marine business within United States	e. Lines in col. d applying to business of years prior to January 1, 1945 or date applicable			
Deduct: total of col. e							
17 Net United States ocean marine expenses incurred Enter result here and on Profit Schedule, line 7			17				

Section 29A United States Marine Insurance Net Losses Incurred in Taxable Year

The standard cut-off date for lines 1 to 9 is December 31, 1944.

1	Payments during the taxable year on marine losses (salvage deducted) incurred since December 31, 1944, less recoveries on reinsurance on losses incurred since December 31, 1944 (from Supplementary Schedule, line 10, col. d less col. h)	1	
2	Add reinsurance recoverable December 31 of the previous year on paid marine losses incurred since December 31, 1944	2	
3	Total	3	
4	Deduct reinsurance recoverable December 31 of the taxable year on paid marine losses incurred since December 31, 1944	4	
5	Balance	5	
6	Add net amount unpaid December 31 of the taxable year on marine losses incurred since December 31, 1944 (net as to recoveries on reinsurance ceded)	6	
	Amount excluded on losses incurred prior to January 1, 1945. *\$		
7	Total	7	
8	Deduct net amount unpaid December 31 of the previous year on marine losses incurred since December 31, 1944 (net as to recoveries on reinsurance ceded)	8	
	Amount excluded on losses incurred prior to January 1, 1945. \$		
9	Net losses incurred during the taxable year of 2012	9	

Ratios

In the following, net premiums means direct premiums plus reinsurance assumed, both net of returned premiums, and less net reinsurance premiums ceded.

1	Net premiums on 29A Marine business written in United States in 2012 (from Supplementary Schedule, line 5, col. d)	1	
2	The same written in 2011	2	
3	The same written in 2010	3	
4	Total for three-year period	4	
5	Average. Divide line 4 by 3	5	
6	Net premiums on 29A Marine business written in Massachusetts in 2012 (from Supplementary Schedule, line 5, col. g)	6	
7	The same written in 2011	7	
8	The same written in 2010	8	
9	Total for 3-year period	9	
10	Average. Divide line 9 by 3	10	
11	Average Massachusetts Marine Premiums (line 10) \$		
	Average United States Marine Premiums (line 5) \$ (carry decimal to six places)	11	

*Amount of actual United States unpaid losses is required.