

Schedule U-INS Instructions

Payment to Insurance Companies Under Common Ownership

A member of a Massachusetts combined group filing a combined report that is claiming a deduction for amounts paid or accrued directly or indirectly to an affiliated insurance company must file Schedule U-INS. Specifically, such member must file Schedule U-INS if it is under common ownership with the affiliate as that term is defined in MGL ch 63, § 32B and 830 CMR 63.32B.2 and such affiliate qualifies as either a life insurance company as defined in IRC § 816 or an insurance company subject to tax imposed by IRC § 831.

Amounts paid or accrued directly or indirectly to an insurance affiliate include, without limitation, amounts paid or accrued to one or more pass-through entities in which the insurance affiliate has a greater than 5% direct or indirect ownership interest and insurance premiums paid or accrued to a third party where the insurance purchased is reinsured by the insurance affiliate. For purposes of this form an insurance affiliate is deemed to have a direct or indirect ownership interest in a pass-through entity when it has such interest applying the ownership attribution rules set forth in IRC § 318, as modified for purposes of 830 CMR 63.32B.2. See 830 CMR 63.32B.2(2) (definition of “commonly owned”).

General Instructions

For each member required to file Schedule U-INS, identify both the member that deducts the amount paid or accrued and the insurance affiliate that receives or is to receive the amount either directly or indirectly (including situations where a pass-through entity owned by the insurance affiliate is the direct or indirect recipient of such amount, as specified above). If the insurance affiliate is a foreign entity that does not have a taxpayer identification number, enter “foreign” in the space provided.

Report the type of U.S. income tax return filed by the insurance affiliate. “Filed other” for this purpose includes reference to U.S. Forms 1120-L and 1120-PC and other returns reporting both income and deductions but does not include reference to U.S. Form 1042-S when filed by a withholding agent. If the insurance affiliate files as a member of a U.S. consolidated return as part of a mixed group, the return type indicated should be the type of return filed by the common parent (e.g., if a consolidated return including the insurance affiliate is filed by the common parent on U.S. Form 1120, check that box). Report the type of Massachusetts tax return filed under MGL ch 63, if any.

Financial Amounts

The amount reported on line 1 of Schedule U-INS must reflect the insurance premiums deducted by the member that are paid or accrued directly or indirectly to the insurance affiliate. If no such premiums were deducted, enter 0.

The amount reported on line 2 of Schedule U-INS must include all other amounts deducted by the member, including interest, rents, payments for services, fees, commissions and any other amounts that are paid directly or indirectly to the insurance affiliate. If no other amounts were deducted, enter 0.