

Tax Reform 2017

Insurance Related Provisions

Corporate Provisions

- 21 percent corporate rate
- Repeal of corporate AMT
 - Refund of remaining AMT credits
- Net Operating Loss Limitation
- Pass-through qualified income deduction

Health Insurance

- Reduction of individual mandate penalty to zero
- Reduction of floor for medical deductions to 7.5 percent
 - Effective tax years 2017 and 2018

Life Insurance

- Loss Reserve Discounting
 - 92.81% of reserve required by the NAIC at the time the reserve is determined
- Deferred Acquisition Costs
 - Increased capitalization periods and percentages
- Proration Percentage for Dividends Received Deduction
 - Company share 70 percent/policyholders' share is 30 percent
- Repeal Special NOL Rules
 - Repeal 3 back/15 forward; carryforward only; 80% taxable income limit
- Repeal of Small Company Election
- Life Settlement Reporting

Property Casualty

- Loss Reserve Discounting
 - 60-month corporate bond yield; extend loss payment to 24 years; eliminate individual company experience election
- Net Operating Loss
 - Maintain current law treatment; 2-year carryback/20-year carryforward; 100 percent of taxable income
- Proration
 - Replace fixed 15% with rate tied to highest corporate tax rate; 5.25% divided by corporate rate; 25% for 2018

International

- BEAT
 - 10 percent minimum tax
 - Not creditable
 - Return premiums, and premiums and other consideration arising out of indemnity reinsurance of life insurance companies and premiums paid for reinsurance of other insurance companies are specifically included in the definition of the base erosion payment.

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