Tax Compliance Checklist for Insurance Companies (2025 Edition)

This checklist is designed to help tax teams at life, P&C, and health insurance companies stay audit-ready, compliant, and strategically aligned across federal, state, and international obligations.

1. Federal Compliance (Subchapter L & CAMT)

Forms & Filing
- File correct return type (Form 1120-L, 1120-PC)
- Complete Schedule M-3 if applicable
- Report and track DAC under §848
- Apply updated §807 or §816 reserve deductions
- Ensure proration rules (§805) are applied correctly
- Include required disclosures for stock buybacks (if applicable)

Estimated Payments
- Q1–Q4 estimated payments aligned with actual tax position
- Reconcile reserve and DAC estimates mid-year

CAMT (Corporate Alternative Minimum Tax)
- Model AFSI with appropriate reserve and separate account adjustments
- Disclose CAMT impact in provision and return (Form 4626 or equivalent)
- Track CAMT deferred taxes separately

2. State and Local Tax Compliance

Premium Tax Filings
- Maintain up-to-date premium tax matrix by state
- Include correct assessments, surcharges, and credits
- Track filing thresholds and due dates across all states

Retaliatory Tax
- Calculate retaliatory tax using current home/host rates
- Document assumptions and include NAIC Schedule of Fees
- Upload required home-state fee disclosures with returns

City and Municipal Tax Filings
- File GRT or lease tax in applicable cities (e.g., SF, Philly, Portland)
- Monitor remote staff triggers and sales attribution

Amended Returns & Refunds
- Track statute of limitations (by state)
- Maintain documentation for adjustments and revised filings

Premium Tax Credits & ESG Incentives
- Identify eligible credits (green bonds, rural investment, hiring programs)
- Register for credits in advance, where required
- Retain substantiating documentation

3. International Compliance

BEAT & QDP
- Model BEAT exposure on reinsurance payments to offshore affiliates
- Make and disclose QDP election where applicable (Form 8991)
- Retain intercompany agreements and pricing documentation

QDMTT & Pillar Two
- Include QDMTT in Bermuda or low-tax hubs in ETR modeling
- Prepare GloBE-compliant data sets and reconciliations

Forms
- File Form 5471, 5472, 8990–8991 as applicable

4. Accounting Alignment (GAAP, SAP, Tax)

Reserve and DAC Reconciliation
- Reconcile SAP reserves with §807/§816 deductions
- Align DAC capitalization with GAAP/SAP treatment
- Disclose deferred tax positions in GAAP financials

IFRS 17 / LDTI Integration
- Monitor timing differences between new accounting standards and tax
- Align local IFRS financials with U.S. consolidated tax provision
- Prepare MD&A disclosures addressing book-tax divergence

5. Audit Readiness & Risk Management

Audit-Ready Files
- DAC memos, reserve calculations, intercompany reinsurance docs
- Reconcile Schedule P with tax-deductible loss reserves
- Store signed treaties, transfer pricing support, and NAIC schedules

BOI Compliance (FinCEN)
- Reconcile beneficial ownership filings with Form 5471/5472/8991
- Monitor captives and affiliate disclosures for consistency

Mock Exams & Controls
- Conduct annual mock audit with internal or external reviewers
- Perform quarterly reconciliation of deferred tax balances
- Maintain audit log of key assumptions, changes, and returns

6. Team, Tech, and Process

Assigned Roles
- Tax: Returns, provision, BEAT/CAMT/QDMTT modeling
- Actuarial: Reserves, DAC input
- IT: Data feeds, e-filing support
- Compliance/Legal: BOI filings, documentation review

Technology Integration
- Automate compliance workflows with tools like TaxGPT
- Use a centralized tracker for filings, payments, credits, and deadlines
- Enable real-time alerts for filing obligations and regulatory updates