

PRE-NEED SELLER – 2009 ANNUAL REPORT

INITIAL INSTRUCTIONS

1. Pursuant to NEB. REV. STAT. § 12-1110 each pre-need seller shall file an Annual Report with the Nebraska Department of Insurance on or before June 1, 2010, on such forms as prescribed by the Nebraska Department of Insurance. All completed Annual Reports should be remitted to the following address:

State of Nebraska Department of Insurance
Burial Pre-need Sale Division
941 O Street, Suite 400
Lincoln, NE 68508

2. Any pre-need seller who has discontinued making pre-need sales but who continues to have trust funds on deposit with a trustee(s) shall not be required to obtain a renewal of its pre-need seller license but shall be **required** to continue, as long as trust funds are being held, to file an Annual Report with the Nebraska Department of Insurance.
3. Each pre-need seller maintaining branch locations may file a joint Annual Report **only if such branch locations are not separately licensed** and are part of the same licensed entity. All separately licensed pre-need sellers are required by law to file an Annual Report pursuant to NEB. REV. STAT. § 12-1110.
4. The Annual Report shall contain the name and address of each trustee with which the pre-need seller has trust funds on deposit and the amount on deposit with each such trustee as of December 31, 2009.
5. The Annual Report shall also include a list of all amounts retained as required by NEB. REV. STAT. § 12-1114.
6. Each Annual Report, when filed with the Nebraska Department of Insurance, shall be accompanied by a fee of fifty dollars (\$50.00).
7. Each pre-need seller must complete the following forms depending on the pre-seller's utilization of individual trust accounts, master trust accounts, and letters of credit:
 - a. Pre-need sellers **utilizing only individual trust accounts who allow income to accumulate in lieu of the cost of living increase** must complete and remit:
 - Schedule IA and Schedule IIA.
 - b. Pre-need sellers **which utilize master trust accounts or who utilize individual** trust account but withdraw income earned in excess of CPI must complete and remit:
 - Schedule IB, Schedule IIB, Schedule IIIB, and Schedule IVB.
 - c. Pre-need sellers **utilizing both individual trust accounts and master trust accounts** must complete and remit
 - Schedule IA, Schedule IB, Schedule IIA, Schedule IIB, Schedule IIIB, and Schedule IVB.
8. **Any person who violates any provision of the Burial Pre-Need Sale Act or who makes a report required under such act which is false or fraudulent shall be guilty of a Class II misdemeanor and his or her license shall be revoked.**

COVER PAGE & SCHEDULE INSTRUCTIONS

COVER PAGE

Complete Lines 1 through 8. Note whether a letter of credit was utilized. Cover Page must be signed and dated.

SCHEDULE IA

All pre-need trust account balances held on December 31, 2009, which can be attributed to pre-need sales made on or after January 1, 1987, must be recorded on Schedule I. These trust account balances shall consist of all deposits, including amounts retained as required by NEB. REV. STAT. § 12-1114, of the Nebraska Burial Pre-Need Sale Act, made to a trust account(s), less all withdrawals occasioned by delivery or cancellation including interest which was retained in the trust accounts. NEB. REV. STAT. § 12-1113(3) states that, "A pre-need seller may elect to allow the income from the funds held in any trust account to accumulate, in which event the accumulation of income shall be deemed to be in lieu of the cost-of-living amount retained as required by section 12-1114."

The trust account(s) can be listed in total for each trustee or by individual trust reflecting the trustee for each account. The total balance amount from all Schedule I pages should equal the total principal balance amount shown on Line 12 of Schedule IIA or Line 22 of Schedule IIIB (or the sum of Lines 12 and Line 22 if both Schedules are used).

SCHEDULE IIA

Line 1. Record the trust account balance(s) as of December 31, 2008. This amount should be the same amount as that reflected on the 2008 Annual Report. If there is some reason the balance would differ from the 2008 Annual Report, the difference must be explained or justified on this report. It can be done in letterform or by adding extra lines to Schedule IIA.

TRUST ADDITIONS

Line 2. Record the total of all pre-need agreement receipts received during 2009. Exclude any deductions set forth in NEB. REV. STAT. § 12-1104, of the Burial Pre-Need Sale Act.

Line 3. Record all amounts that were not placed into trust accounts because of exclusion from trust requirements, or amounts that pre-need sellers are entitled to and opted to retain pursuant to NEB. REV. STAT. § 12-1104, of the Nebraska Burial Pre-Need Sale Act.

EXAMPLE: The first fifteen percent (15%) of the retail sale price of all other pre-need sales that pre-need sellers are allowed to retain. If the seller retains the first fifteen percent (15%) of the retail sales price, please designate whether it is collected up-front in a lump sum or on a payment basis.

Line 4. Subtract Line 3 from Line 2. Enter result.

Line 5. Record 2009 trust income including interest and dividends derived from the trust accounts recorded on Line 1 and Line 4. This is the interest or dividends earned on all trusts held during 2009, which were dated on or after January 1, 1987.

Line 6. Calculate total of Line 1 + Line 4 + Line 5. Enter result.

TRUST DISTRIBUTIONS

Record only those amounts which were actually disbursed during 2009 pursuant to NEB. REV. STAT. § 12-1113, of the Nebraska Burial Pre-Need Sale Act. Amounts which were eligible for disbursement, but which had not yet actually been disbursed, should be recorded in the year in which the actual disbursement is made.

EXAMPLE: An agreement performed on December 31, 2008, and in which the trust was not disbursed until January 1, 2009, would be included in the 2009 Annual Report as a disbursement.

Line 7. Record the amounts distributed in 2009 by reason of cancellation or transfer of a pre-need sale agreement. This amount should include all interest earned and CPI(Consumer Price Index) retained.

Line 8. Record the amounts distributed in 2009 due to performance of a pre-need sale agreement. This amount should include all interest earned and CPI retained.

Line 9. Record the amounts distributed in 2009 due to partial or complete construction of mausoleums, columbariums or lawn crypts. This amount should include all interest earned and CPI retained.

Line 10. Record the amounts distributed in 2009 for trustee administrative fees and expenses, including taxes.

Line 11. Calculate Line 7 + Line 8 + Line 9 + Line 10. Enter result.

TRUST PRINCIPAL BALANCE

Line 12. Subtract Line 11 **from** Line 6. Enter result.

NOTE: The total principal balance amount of Schedule IIA should equal the total balance amount from all Schedule I pages used.

SCHEDULE IB

All master trust account balance(s) held at December 31, 2009, dated on or after January 1, 1987, must be recorded on Schedule IB. The master trust account balance(s) shall consist of all deposits, including amounts retained as required by NEB. REV. STAT. § 12-1114, of the Nebraska Burial Pre-Need Sale Act, made to a master trust account(s), less all withdrawals occasioned by delivery or cancellation, plus interest which was retained in the trust accounts. The master trust account(s) can be listed in total for each trustee or by individual master trust account reflecting the trustee for each account.

The total from all Schedule IB pages used should equal the master trust account balance(s) as of December 31, 2009, on Line 21, of Schedule IIIB - After the Distribution of Available Income.

SCHEDULE IIB

- Line 1.** Enter the 2008 master trust account balance(s), as of December 31, 2008. This amount should be taken from the 2008 Annual Report, Schedule IB total or Schedule IIB, Line 26.
- Line 2.** This is the percentage increase in the National CPI during 2008.
- Line 3.** Multiply Line 1 by Line 4. Enter the result. This is the amount of interest required to be retained in accordance with NEB. REV. STAT. § 12-1114. This is also the amount that should be carried over to Line 20, on Schedule IIIB.
- NOTE:** The 2009 income required to be retained in trust should equal the total from all Schedule IVB pages used.

SCHEDULE IIB

- Line 1.** Record the master trust account balance(s) as of December 31, 2008, per bank records. This amount should be the same amount as that reflected on the 2008 Annual Report, Schedule IIB, Line 18. If there is some reason the balance would differ from the 2008 Annual Report, Schedule IIB, Line 18, the difference must be explained or justified on this report. It can be done in letterform or by adding extra lines to Schedule IIIB.
- Line 2.** Record the distribution of 2008 income performed after January 1, 2009. This amount should be the same amount as that reflected on the 2008 Annual Report, Schedule IIB, Line 25. If there is some reason the distribution amount differs from the 2008 Annual Report, Schedule IIB, Line 25, the difference must be explained or justified on this report. It can be done in letterform or by adding extra lines to Schedule IIIB.
- Line 3.** Record the adjusted master trust account balance for all 2008 activity. This amount should be the same amount as that reflected on the 2008 Annual Report, Schedule IIB, Line 26. If there is some reason the balance would differ from the 2008 Annual Report, Schedule IIB, Line 26, the difference must be explained or justified on this report. Provide notice in letterform or add extra lines to Schedule IIIB. Subtract Line 2 from Line 1. Enter result.

MASTER TRUST PRINCIPAL ADDITIONS

- Line 4.** Record the total of all pre-need trust agreement receipts received during 2009, excluding any deductions as pursuant to NEB. REV. STAT. § 12-1104, of the Burial Pre-Need Sale Act.
- Line 5.** Record all amounts that were not placed into the master trust account(s) because of exclusion from trust requirements, or amounts that pre-need sellers are entitled to and opted to retain pursuant to NEB. REV. STAT. § 12-1104, of the Nebraska Burial Pre-Need Sale Act.

EXAMPLE: With regard to the first fifteen percent (15%) of the retail sale price of all other pre-need sales that pre-need sellers are allowed to retain, if the seller retains the first fifteen percent (15%) of the retail sale price, please designate whether it is collected up-front in a lump sum or on a payment basis.

- Line 6.** Subtract Line 5 from Line 4. Enter result.

MASTER TRUST PRINCIPAL DISTRIBUTIONS

Record only those amounts which had actually been disbursed during 2009 pursuant to NEB. REV. STAT. § 12-1113, of the Nebraska Burial Pre-Need Sale Act. Amounts which were eligible for disbursement, but which had not yet actually been disbursed, should be recorded in the year in which the actual disbursement is made.

EXAMPLE: An agreement which was performed on December 31, 2008, and the trust funds were not disbursed until January 1, 2009, would be included in the 2009 Annual Report as a disbursement.

- Line 7.** Record amounts distributed in 2009 by reason of cancellation or transfer of pre-need sale agreements. This amount should include all income earned and CPI retained.
- Line 8.** Record amounts distributed in 2009 due to performance of pre-need sale agreements. This amount should include all interest earned and CPI retained
- Line 9.** Record amounts distributed in 2009 due to partial or complete construction of mausoleums, columbariums or lawn crypts. This amount should include all interest earned and CPI retained
- Line 10.** Total Lines 7, 8, and 9. Enter result.

GROSS TRUST INCOME EARNED

- Line 11.** Record trust income earned during 2009 from trust account(s) initiated after December 31, 1986. This amount should also be reflected on Line 15 of Schedule III B.

GROSS LOSSES (IF ANY) THAT OCCURRED

- Line 12.** Record losses, if any, on the trust account(s) which occurred during 2009 from trust account(s) initiated on or after January 1, 1987. This amount should also be reflected on Line 16 of Schedule III B.

TRUSTEE ADMINISTRATIVE FEES & EXPENSES, INCLUDING TAXES

- Line 13.** Record only those trustee administrative fees & expenses, including taxes which occurred during 2009 that relates or pertains to master trust account(s) established on or after January 1, 1987. This amount should also be reflected on Line 17 of Schedule III B.
- Line 14.** Calculate the total of Line 3 + Line 6 – Line 10 + Line 11 – Line 12 – Line 13. Enter Result.

TRUST INCOME AVAILABLE FOR DISTRIBUTION

- Line 15.** Enter the amount from Line 11, on Schedule III B. This is the amount of gross trust income earned during 2009.
- Line 16.** Enter the amount from Line 12, on Schedule III B. This is the amount of gross trust losses, if any, that occurred during 2009.
- Line 17.** Enter the amount from Line 13, on Schedule III B. This is the amount of trust administrative fees/expenses, including taxes paid during 2009.
- Line 18.** Income distributed during the year for Cancellations, Performances, and Construction. This is the amount of 2009 income already disbursed during the year.

Line 19. Enter the amount from Line 3, on Schedule IIB. This is the amount of 2009 income required to be retained.

Line 20. Line 14 – Line 15 – Line 16 – Line 17 – Line 18 – Line 19. If the amount for Line 20 is a **negative** number, enter **zero** on Line 20. If the amount for Line 20 is greater than zero, enter that amount on this line.

NOTE: A negative number means there is insufficient income to cover the CPI increase and no distribution of income can be performed. A positive number means there is sufficient income to cover the CPI increase and a distribution can be performed.

TRUST ACCOUNT BALANCE(S) AS OF DECEMBER 31, 2009

Line 21. Line 14 minus Line 20. Enter result.

NOTE: The trust account balance(s), as of December 31, 2009, on Line 21, of Schedule IIB, should equal the total from all Schedule IB pages used.

SCHEDULE IVB

For each master trust account which was initiated on or after January 1, 1987 but prior to January 1, 2009; the amount of income required to be retained for 2009, must be recorded on Schedule IVB as of December 31, 2009.

NOTE: The total from all Schedule IVB pages used should equal the 2009 income required to be retained in trust, on Line 3, of Schedule IIB.

STATE OF NEBRASKA DEPARTMENT OF INSURANCE
2009 CALENDAR YEAR PRE-NEED SELLER ANNUAL REPORT FORM(S)

Pursuant to NEB. REV. STAT. § 12-1110 each pre-need seller shall file an Annual Report for the 2009 calendar year with the Nebraska Department of Insurance **on or before June 1, 2010**, on such forms as prescribed by the Nebraska Department of Insurance. All completed Annual Reports should be remitted to the following address:

State of Nebraska Department of Insurance
Burial Pre-need Sale Division
941 O Street, Suite 400
Lincoln, NE 68508

The Annual Report, when filed with the Nebraska Department of Insurance, shall be accompanied by a fee of fifty dollars (\$50.00) and should not include any transaction relating to funeral arrangement entered into prior to January 1, 1987.

PRE-NEED SELLER – REQUIRED INFORMATION:

1. Licensee Name: _____
2. Licensee Number: _____
3. Business Address: _____

4. Business Telephone: _____
5. E-Mail Address, if any: _____
6. Federal Tax Number: _____
7. Does this report cover all branch locations? YES _____ NO _____
8. List Branch locations: _____

Any pre-need seller who has discontinued making pre-need sales but who continues to have trust funds on deposit with a trustee or trustees shall not be required to obtain license renewal but shall continue, as long as trust funds are being held, to file this annual report to the director of insurance.

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LETTER OF CREDIT/SURETY BOND

Pursuant to the Nebraska Burial Pre-Need Sale Act, licensed pre-need sellers, upon receiving prior approval from the Nebraska Department of Insurance, may obtain a letter of credit or surety bond in lieu of placing some or all of the proceeds from a pre-need sale in the appropriate trust account.

During the 2009 calendar year, was a letter of credit or surety bond utilized by your licensed entity in relation to any past or present pre-need sale in lieu of placing funds from said sale in an individual or master trust account:

YES _____ **NO** _____

NOTE: If the pre-need seller marked “Yes” to the previous question, please attach a copy of most current letter of credit or surety bond to this Annual Report. Failure to provide notification to the Department of the use of a letter of credit or surety by the pre-need seller or the failure to provide a copy of the letter of credit or surety bond to the Department may warrant administrative action.

CERTIFICATION

I hereby certify that the information contained in this report is true and correct and in compliance with the Burial Pre-Need Sale Act.

Signature - Authorized Representative

Title

Name - Authorized Representative

Date

SCHEDULE IIA

RECONCILIATION OF TRUST ACCOUNTS

NOTE: Pre-Need sellers who elect to allow all income to accumulate in the trust in lieu of the cost-of-living calculation **must** complete this schedule.

NOTE: Do **NOT** use this Schedule if the pre-need seller withdraws income based on calculations using the Consumer Price Index. Go to Schedule IB

1. Trust account balance(s) as of December 31, 2008 \$ _____
(This figure should equal the balance listed on the 2008 Annual Report)

TRUST ADDITIONS

2. Gross pre-need receipts in 2009 \$ _____

3. Amounts excluded from trust requirements,
pursuant to NEB. REV. STAT. § 12-1104 \$ _____
**NOTE: If the 15% retention option is exercised, please designate whether
it is collected: ___ in a lump sum and/or ___ by payment**

4. Net receipts added to trust during 2009 (Line 2 – Line 3) \$ _____

5. Gross trust income earned during 2009 (From balances of Line 1 & Line 4) \$ _____

6. Subtotal (Line 1 + Line 4 + Line 5) \$ _____

TRUST DISTRIBUTIONS

7. Cancellations * \$ _____

8. Agreements performed * \$ _____

9. Construction distributions * \$ _____

10. Trustee administrative fees & expenses , including taxes \$ _____

11. Total trust distributions (Line 7 + Line 8 + Line 9 + Line 10) \$ _____

TRUST ACCOUNT BALANCES - DECEMBER 31, 2009

12. Trust account balance(s) as of December 31, 2009 \$ _____
(Line 6 – Line 11)

* Include all 2009 income which was earned and distributed.

SCHEDULE IIB

CALCULATION OF 2009 INCOME REQUIRED TO BE RETAINED IN TRUST

NOTE: Do **NOT** use this schedule if you elect to allow all income to accumulate in the master trust account(s).

The Schedule below is used to calculate the amount required to be retained in trust accounts, from prior years, which remained in trust at year's end.

The 2009 income required to be retained in trust, on Line 3, of Schedule IIB, should equal the total from all Schedule IVB pages used.

- | | | |
|----|---|-----------------------------|
| 1. | Master trust balance(s) as of December 31, 2008
(Amount taken from 2008 Annual
Report-Schedule IB or Schedule IIB, Line 26) | \$ _____ |
| 2. | Percentage increase in National CPI during 2008 | <u>.001 (0.1% increase)</u> |
| 3. | 2009 income required to be retained in trust
(Multiply Line 1 by Line 2) | \$ _____ |

SCHEDULE IIB

RECONCILIATION OF MASTER TRUST ACCOUNTS (AGGREGATE)

NOTE: Do **NOT** use this schedule if you are utilizing individual trust accounts. This form is to be used solely for master trust accounts.

- | | | |
|----|--|----------|
| 1. | Master trust account balance(s), as of December 31, 2008 per bank records
(2008 Annual Report, Schedule IIB, Line 18) | \$ _____ |
| 2. | 2008 income distributed after January 1, 2009
(2008 Annual Report, Schedule IIB, Line 25) | \$ _____ |
| 3. | Adjusted master trust account balance for all 2008 activity
(2008 Annual Report, Schedule IIB, Line 26) ÷ (Line 1 minus Line 2) | \$ _____ |

MASTER TRUST PRINCIPAL ADDITIONS

- | | | |
|----|---|----------|
| 4. | Gross pre-need trust agreement receipts in 2009 | \$ _____ |
| 5. | Amounts excluded from trust requirements
pursuant to NEB. REV. STAT. § 12-1104
NOTE: If the 15% retention option is exercised, please designate whether
it is collected: ___ in a lump sum and/or ___ by payment | \$ _____ |
| 6. | Net principal added to master trust account(s) during 2009
(Line 4 – Line 5) | \$ _____ |

MASTER TRUST PRINCIPAL DISTRIBUTIONS

- | | | |
|-----|--|----------|
| 7. | Cancellations
(Principal + CPI Increases + Interest Earned) | \$ _____ |
| 8. | Agreements performed
(Principal + CPI Increases + Interest Earned) | \$ _____ |
| 9. | Construction distributions
(Principal + CPI Increases + Interest Earned) | \$ _____ |
| 10. | Total master trust principal distribution(s) during 2009
(Line 7 + Line 8 + Line 9) | \$ _____ |

GROSS TRUST INCOME EARNED

- | | | |
|-----|---|----------|
| 11. | Gross income earned on trust account(s) during 2009 | \$ _____ |
|-----|---|----------|

GROSS MASTER TRUST LOSSES (IF ANY) THAT OCCURRED

- | | | |
|-----|---|----------|
| 12. | Gross losses on master trust (if any) that occurred during 2009 | \$ _____ |
|-----|---|----------|

MASTER TRUST ADMINISTRATIVE FEES/EXPENSES, INCLUDING TAXES

13. Master trust administrative fees/expenses, including taxes, during 2009 \$ _____
14. Sub-Total
(Line 3 + Line 6 – Line 10 + Line 11 – Line 12 – Line 13) \$ _____

TRUST INCOME AVAILABLE FOR DISTRIBUTION

15. Total gross income earned during 2009
(Taken from Line 11) \$ _____
16. Total gross losses which occurred during 2009
(Taken from Line 12) \$ _____
17. 2009 trustee's fees/expenses, including taxes
distributed from income (Taken from Line 13) \$ _____
18. 2009 income distributed during the year for
Cancellations, Performances, or Construction \$ _____
19. 2009 income required to be retained
(Taken from Schedule IIB, Line 3) \$ _____
20. 2009 trust income available for distribution to pre-need seller
(Line 15 – Line 16 – Line 17 – Line 18 – Line 19) \$ _____

TRUST ACCOUNT BALANCE(S) AS OF DECEMBER 31, 2009

21. Trust account balance(s), as of December 31, 2009
(Line 14 – Line 20) \$ _____

NOTE: Line 21 should equal the total of all Schedule IB pages used.

SCHEDULE IVB

2009 INCOME REQUIRED TO BE RETAINED BY TRUST

If the pre-need seller withdraws income pursuant to NEB. REV. STAT. § 12-1114, a Schedule IVB must be completed **for each trustee** by listing the trust account and the amount required to be retained in each trust account.

If more than one Schedule IVB is necessary to provide a comprehensive and full accounting of that income required to be retained in trust for 2009 or to reflect the use of multiple trustees, the pre-need seller must complete and provide a separate Schedule IVB **for each trustee**. Each Schedule IVB must be completed in full and attached as part of the 2009 Annual Report.

NOTE: The total from all Schedule IVB pages used should equal the 2009 income required to be retained in trust, on Line 3, of Schedule IIB.

Do not use this schedule if you elect to allow all income to accumulate in the master trust account(s).

Duplicates or photocopies of this form are acceptable if additional space is needed.

Increase in the National Consumer Price Index for Calendar Year 2008 = .001 (0.1% increase).

Name of Trustee: _____

	TRUST ACCOUNT	AMOUNT OF 2009 INCOME REQUIRED TO BE RETAINED
1.	_____	\$ _____
2.	_____	\$ _____
3.	_____	\$ _____
4.	_____	\$ _____
5.	_____	\$ _____
	SUBTOTAL FROM THIS PAGE	\$ _____

**PROVIDE TOTAL OF ALL SCHEDULE IVB PAGES ONLY
IF MULTIPLE COPIES OF SCHEDULE IVB WERE COMPLETED \$ _____**