

2010 PRE-NEED ANNUAL REPORT

INSTRUCTIONS

WHAT'S NEW FOR 2010

- The 2010 Pre-Need Annual Report has been extensively revised and updated. Please be sure to read through all instructions. **Incorrectly completed Annual Reports will not be accepted by the Department.**
- Only the most current version of the Pre-Need Annual Report should be used for filing, as the forms are subject to updates and changes each year. **Filings submitted on outdated forms will be rejected and will have to be resubmitted on a current version of the form.**
- An Annual Report that has been rejected by the Department for any reason will be considered unfiled until the issues for which the Annual Report was rejected have been satisfactorily resolved and the Annual Report has been accepted by the Department.
- Due to the implementation of perpetual licenses for pre-need agents, Schedule IC has been added to the Annual Report to facilitate the pre-need seller and the Department in keeping the seller's pre-need agent listings current.
- The Department's mailing address has changed. See the Filing Requirements for the new mailing address.
- The Department would like to remind all pre-need sellers that transactions or trust activity relating to pre-need agreements sold prior to January 1, 1987, should **not** be included in the Annual Report.

FILING REQUIREMENTS

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, 2011, 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
P.O. Box 82089
Lincoln, NE 68501-2089
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 **complete street 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, 2010.
5. The Annual Report shall also include a list of all amounts retained as required by NEB. REV. STAT. § 12-1114, i.e. the cost-of-living-adjustment (CPI).

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 use the table below to determine which forms to include in their annual report. If your business utilizes a combination of pre-need fund management methods, ensure that your annual report includes the forms indicated below for each method.

<i>TRUSTING METHOD</i>	Certificates of Deposit Method 1	Certificates of Deposit Method 2	Master Trust Account Method 1	Master Trust Account Method 2	Letter of Credit	Surety Bond
<i>TREATMENT OF EXCESS INCOME</i>	Allow income to accumulate in the trust account in lieu of CPI	Withdraw income from trust account in excess of CPI	Allow income to accumulate in the trust account in lieu of CPI	Withdraw income from trust account in excess of CPI	N/A	N/A
<i>ANNUAL REPORT MUST INCLUDE</i>	Pages 1 and 2	Pages 1 and 2	Pages 1 and 2	Pages 1 and 2	Pages 1 and 2	Pages 1 and 2
	Schedule IA	Schedule IA	Schedule IB	Schedule IB	Attach copy of letter of credit	Attach copy of surety bond
	Schedule IIA	Schedule IIIA	Schedule IIIB	Schedule IIB	Schedule IC	Schedule IC
	Schedule IC	Schedule IIB	Schedule IC	Schedule IIIB		
		Schedule IC		Schedule IVB		
				Schedule IC		

VIOLATIONS AND PENALTY

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.

LINE INSTRUCTIONS

PAGE 1

- Line 1. Enter the name of the pre-need seller as it appears on its Pre-Need Seller's license. Entering the name of the pre-need seller's owner or manager on this line is incorrect and may result in rejection of the Annual Report.
- Line 2. Enter the license number of the pre-need seller as it appears on its current Pre-Need Seller's license. The number may be preceded by the capital letters PS. Entering any other number except the current Pre-Need Seller's license number on this line is incorrect and may result in rejection of the Annual Report. If you cannot find your Pre-Need Seller's license or are unsure of which number should go on this line, refer to the Department's correspondence with the Annual Report information. Your Pre-Need Seller's license number will be located within the message. You may also contact the Department to obtain your Pre-Need Seller's license number.
- Line 3. Enter the pre-need seller's main business address. If there is a mailing address which you prefer to use for correspondence, it can be entered **in addition to** the main business address.
- Line 4. Enter the pre-need seller's main business telephone number.
- Line 5. Enter the pre-need seller's current e-mail address. If none, state "None."
- Line 6. List all locations which are conducting pre-need business under the Pre-Need Seller's license number entered on line 2. These are considered branch locations. If none, state "None." Locations which are conducting pre-need business under a different Pre-Need Seller license number are considered separate pre-need sellers and should report their pre-need activity on a separate Annual Report.
- Line 7. Mark "Yes" if pre-need fund activity for more than one pre-need seller location is being included in this Annual Report. If this Annual Report contains activity for only one pre-need seller location, mark "No."

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Letter of Credit/Surety Bond

Mark "Yes" if the pre-need seller utilized a letter of credit or surety bond during the 2010 calendar year. If all of the pre-need funds received during the year were trusted, this section does not apply and "No" should be marked.

If "Yes" is marked, a copy of the current letter of credit or surety bond must be attached to the Annual Report.

Certification

All lines in this section must be accurately completed by an authorized representative able to certify the truth and accuracy of the information contained in the Annual Report. Incompleteness in this section will result in rejection of the Annual Report.

SCHEDULE IA

- Report all pre-need trust account balances held by trustees on December 31, 2010, **except** balances from pre-need sales made before January 1, 1987. Only balances from pre-need sales made on or after January 1, 1987, should be reported on Schedule IA.

- The trust account balances can be listed in total for each trustee or by individual trust account reflecting the trustee for each account. If you choose to list individual trust balances, do not use Schedule IA. Instead attach an internally prepared listing of all individual trust account balances reflecting the trustee, account number and account holder’s name associated with each account balance.
- If more than one Schedule IA page is used, the total balance amount from all Schedule IA pages used should equal the Trust Account Balance amount shown on Schedule IIA, line 12 or Schedule IIIA, line 20, or the sum of Schedule IIA, Line 12, and Schedule IIA, line 20 if both schedules are used.

SCHEDULE IIA

Line 1. Enter the aggregate balance of trust accounts as of December 31, 2009, based on bank records. This amount should be the same as that reflected on the 2009 Annual Report, Schedule IIA, line 12. If, according to the bank records, this amount is no longer the same as on the 2009 Annual Report, the difference must be explained on the 2010 Annual Report. This can be done by including the difference directly on Schedule IIA, in an appropriate area of the schedule, with an explanatory notation by the difference. Alternatively, the difference can be explained in letter form.

TRUST PRINCIPAL ADDITIONS

Line 2. Enter the gross total of all pre-need agreement receipts received during 2010. Pre-need receipts should be entered **net** of the proceeds received for the following items:

- Lot
- Grave space
- Crypt or niche located in a mausoleum, columbarium or lawn crypt upon which construction has been substantially completed
- Interest charged by the pre-need seller on an installment payment plan
- Funds used for the perpetual care, endowed care or continual care and maintenance of item(s) sold in a pre-need sale (NEB. REV. STAT. § 12-1104)

Line 3. If the pre-need seller opts to retain up to 15% of the amount received for pre-need sales, pursuant to NEB. REV. STAT. § 12-1104, enter the total of all amounts that were not placed into the trust accounts because of this allowable exclusion from trust requirements.

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

Line 5. Enter trust income, including interest and/or dividends, earned by all trust accounts existing, created or performed in 2010. Do not include income which belongs to pre-need agreements dated prior to January 1, 1987.

Line 6. Add line 1, line 4 and line 5. Enter result.

TRUST PRINCIPAL DISTRIBUTIONS

Report only those amounts which were actually disbursed during 2010 pursuant to NEB. REV. STAT. § 12-1113. Amounts which were eligible for disbursement due to the performance of the pre-need agreement, but which had not yet actually been disbursed at December 31, 2010, should be reported in the year in which the actual disbursement is made.

EXAMPLE: An agreement was performed on December 31, 2010. Funds from the corresponding trust account were not disbursed until January 1, 2011. This disbursement should not be included in the 2010 Annual Report because as of December 31, 2010, the funds were still in the trust account.

- Line 7. Enter the amount distributed in 2010 due to performance of pre-need sale agreements. This amount should include all CPI and/or income retained in the trust account while it was active.
- Line 8. Enter the amount distributed in 2010 due to cancellation or transfer of pre-need sale agreements. This amount should include all CPI and/or income retained in the trust account while it was active.
- Line 9. Enter the amount distributed in 2010 due to partial or complete construction of mausoleums, columbariums or lawn crypts. This amount should include all CPI and/or income retained in the trust account while it was active.
- Line 10. Enter the amount distributed in 2010 for trustee administrative fees and expenses, including taxes, if any were incurred by and paid from the trust accounts'.
- Line 11. Add lines 7 through 10. Enter result.

TRUST ACCOUNTS' BALANCE

- Line 12. Subtract Line 11 from Line 6. Enter result. The amount on this line should equal the total balance amount from all Schedule I pages used.

SCHEDULE IIIA

*****Schedule IIB must be completed before beginning to work on this schedule*****

- Line 1. Enter the trust accounts' aggregate balance as of December 31, 2009, based on bank records. This amount should be the same as that reflected on the 2009 Annual Report, Schedule IIA, line 12. If, according to the bank records, this amount is no longer the same as on the 2009 Annual Report, the difference must be explained on the 2010 Annual Report. This can be done by including the difference directly on Schedule IIIA, in an appropriate area of the schedule, with an explanatory notation by the difference. Alternatively, the difference can be explained in letter form.
- Line 2. Enter the amount of 2009 income that was distributed after January 1, 2010, if any. If this amount was reflected on the 2009 Annual Report, because you used Schedule IIB, then carry over the amount from Schedule IIB, line 20. If the distribution amount differs from the 2009 Annual Report, Schedule IIB, line 20, the difference must be explained or justified on the 2010 Annual Report. This can be done by including the difference directly on Schedule IIIA, in an appropriate area of the schedule, with an explanatory notation by the difference. Alternatively, the difference can be explained in letter form.
- Line 3. Subtract line 2 from line 1 to arrive at the balance of the trust accounts which has been adjusted for the 2009 excess income distribution.

TRUST PRINCIPAL ADDITIONS

- Line 4. Enter the gross total of all pre-need agreement receipts received during 2010. Pre-need receipts should be entered **net** of the proceeds received for the following items.
- Lot
 - Grave space
 - Crypt or niche located in a mausoleum, columbarium or lawn crypt upon which construction has been substantially completed
 - Interest charged by pre-need seller on an installment payment plan
 - Funds used for the perpetual care, endowed care or continual care and maintenance of items(s) sold in a pre-need sale (NEB. REV. STAT. § 12-1104)

Line 5. If the pre-need seller opts to retain any amount up to 15% of pre-need sales, pursuant to NEB. REV. STAT. § 12-1104, enter the total of all amounts that were not placed into the trust accounts because of this allowable exclusion from trust requirements.

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

TRUST PRINCIPAL DISTRIBUTIONS

Report only those amounts which were actually disbursed during 2010 pursuant to NEB. REV. STAT. § 12-1113. Amounts which were eligible for disbursement due to the performance of the pre-need agreement, but which had not yet actually been disbursed at December 31, 2010, should be reported in the year in which the actual disbursement is made.

EXAMPLE: An agreement was performed on December 31, 2010. Funds from the corresponding trust account were not disbursed until January 1, 2011. This disbursement should not be included in the 2010 Annual Report because as of December 31, 2010, the funds were still in the trust account.

Line 7. Enter the amount distributed in 2010 due to performance of pre-need agreements. This amount should include all CPI and/or income retained in the trust account while it was active.

Line 8. Enter the amount distributed in 2010 due to cancellation or transfer of pre-need agreements. This amount should include all CPI and /or income retained in the trust account while it was active.

Line 9. Enter the amount distributed in 2010 due to partial or complete construction of mausoleums, columbariums or lawn crypts. This amount should include all CPI and/or income retained in the trust account while it was active.

Line 10. Add lines 7 through 9. Enter result.

TRUST INCOME, LOSSES AND EXPENSES

*****Do not include any activity from pre-need agreements dated prior to January 1, 1987*****

Line 11. Enter the amount of interest and/or dividends earned by the trust accounts in 2010 and substantiated by bank records.

Line 12. Enter the amount of losses sustained (if any) by the master trust accounts in 2010 and substantiated by bank records.

Line 13. Calculate the net income earned or net loss sustained by the trust accounts in 2010. Subtract line 12 from line 11. Enter the result.

Line 14.

- Enter the whole amount of FET incurred in 2010 only if the amount of net income on line 13 is greater than the amount of FET.
- If line 13 shows net income but it is less than the whole amount of FET, only enter FET in the amount of the net income or less. Remaining FET must be paid out of the pre-need seller's own separate funds. If this situation occurs, the Department must receive confirmation of reimbursement to the trust accounts of the FET portion to be paid by the pre-need seller. The confirmation may be in the form of a trustee statement showing the reimbursement transaction and must be attached to the annual report.

- If the amount on line 13 is zero or a net loss, line 14 must be zero and the whole amount of FET must be paid out of the pre-need seller's own separate funds. If this situation occurs, the Department must receive confirmation of reimbursement to the trust accounts of the FET amount to be paid by the pre-need seller. The confirmation may be in the form of a trustee statement showing the reimbursement transaction and must be attached to the annual report.

The amount on line 14 should NEVER exceed the amount on line 13. The pre-need seller is required to pay the trust account fees, expenses and taxes (FET) out of its own separate funds if the trust account did not make enough income to cover them. (NEV. REV. STAT. § 12-1113(2)(g))

Line 15. Calculate the aggregate balance of the trust accounts as of December 31, 2010. Line 3 + Line 6 – Line 10 + Line 11 – Line 12 – Line 14. Enter result.

CALCULATION OF TRUST INCOME AVAILABLE FOR DISTRIBUTION

Line 16. Carry over the amount of trust accounts' net income or net loss from line 13. If the amount is a net loss, skip lines 17 through 19 and enter a zero on line 20. If the amount is net income, go on to line 17.

Line 17. Carry over trust administrative fees and expenses, including taxes, incurred in 2010, from line 14.

Line 18. The total income that was distributed during the year as a part of disbursements included on lines 7, 8 or 9 (agreement performances, cancellations, transfers or construction), must be included on this line.

Line 19. Carry over the amount of income required to be retained for 2010 from Schedule IIB, line 3.

Line 20. Calculate 2010 trust income available for distribution to the pre-need seller in 2011. Line 16 – line 17 – line 18 – line 19. If the result is a negative amount, enter zero on line 20; there is no excess 2010 income to distribute. If the result is a positive amount, enter this amount on line 20; this is the amount of 2010 income available for distribution.

TRUST ACCOUNTS' BALANCE ADJUSTED FOR ALL 2010 ACTIVITY

Line 21. If line 20 yields income available for distribution, the calculation of line 21 is dependent upon the pre-need seller's intended treatment of this income amount. The pre-need seller may choose to distribute the entire amount of income available for distribution or to distribute a partial amount and retain the rest in the trust accounts in lieu of CPI. (If the pre-need seller chooses to retain the entire amount of income available for distribution in the trust accounts in lieu of the CPI for that year, Schedule IIA should be used for the reconciliation of individual trust accounts instead of IIIA.)

- a) If the entire amount of income available for distribution will be distributed in 2011, mark "Yes", subtract the amount on line 20 from the amount on line 15 and enter the result on line 21. If you mark "No" to this option, continue to the next option.
- b) If only part of the amount of income available for distribution will be distributed in 2011, with the rest remaining in the trust accounts in lieu of CPI, enter the amount to be distributed on the line provided. Subtract the amount to be distributed from line 15 and enter the result on line 21.

SCHEDULE IB

- Report all pre-need master trust account balances at their market value as of December 31, 2010, **except** balances from pre-need sales made before January 1, 1987. Only balances from pre-need sales made on or after January 1, 1987, should be reported on Schedule IB.

- The total balance amount from all Schedule IB pages used should equal the Trust Account Balance amount shown on Schedule IIIB, line 18.

SCHEDULE IIB

- Line 1. Enter the market value of the master trust account balance as of December 31, 2009. This amount should be the same as the amount on the 2010 Schedule IIIB, Line 2.
- Line 2. The percentage increase in the National CPI for 2009 was 2.7% or .027.
- Line 3. Multiply Line 1 by Line 2. Enter the result. This is the amount of income required to be retained in the master trust account(s) in accordance with NEB. REV. STAT. § 12-1114. This is also the amount that should be carried over to line 22, on Schedule IIIB.

SCHEDULE IIIB

- Line 1. Enter the master trust account balance as of December 31, 2009, based on bank records. This amount should be the same as that reflected on the 2009 Annual Report, Schedule IIIB, line 14. If, according to the bank records, this amount is no longer the same as on the 2009 Annual Report, the difference must be explained on the 2010 Annual Report. This can be done by including the difference directly on Schedule IIIB, in an appropriate area of the schedule, with an explanatory notation by the difference. Alternatively, the difference can be explained in letter form.
- Line 2. Enter the market value of the master trust account as of December 31, 2009. This amount should be confirmed by the bank records.
- Line 3. Enter the amount of 2009 income that was distributed after January 1, 2010. This amount should be the same as that reflected on the 2009 Annual Report, Schedule IIIB, Line 20. If the distribution amount differs from the 2009 Annual Report, Schedule IIIB, Line 20, the difference must be explained or justified on the 2010 Annual Report. This can be done by including the difference directly on Schedule IIIB, in an appropriate area of the schedule, with an explanatory notation by the difference. Alternatively, the difference can be explained in letter form.
- Line 4. Subtract line 3 from line 2 to arrive at the market value of the master trust account which has been adjusted for the 2009 excess income distribution.

MASTER TRUST PRINCIPAL ADDITIONS

- Line 5. Enter the gross total of all pre-need agreement receipts received during 2010. Pre-need receipts should be recorded **net** of the proceeds received for the following items:
- Lot
 - Grave space
 - Crypt or niche located in a mausoleum, columbarium or lawn crypt upon which construction has been substantially completed
 - Interest charged by the pre-need seller on an installment payment plan
 - Funds used for the perpetual care, endowed care or continual care and maintenance of item(s) sold in a pre-need sale (Neb. Rev. Stat. § 12-1104)
- Line 6. If the pre-need seller opts to retain any amount up to 15% of pre-need sales, pursuant to NEB. REV. STAT. § 12-1104, enter the total of all amounts that were not placed into the trust accounts because of this allowable exclusion from trust requirements.
- Line 7. Subtract Line 6 from Line 5. Enter result.

MASTER TRUST PRINCIPAL DISTRIBUTIONS

Report only those amounts which were actually disbursed during 2010 pursuant to NEB. REV. STAT. § 12-1113. Amounts which were eligible for disbursement due to the performance of the pre-need agreement, but which had not yet actually been disbursed at December 31, 2010, should be reported in the year in which the actual disbursement is made.

EXAMPLE: An agreement was performed on December 31, 2010. Funds from the corresponding trust account were not disbursed until January 1, 2011. This disbursement should not be included in the 2010 Annual Report because as of December 31, 2010, the funds were still in the trust account.

- Line 8. Enter the amount distributed in 2010 due to performance of pre-need agreements. This amount should include all CPI and/or income retained in the trust account while it was active.
- Line 9. Enter the amount distributed in 2010 due to cancellation or transfer of pre-need agreements. This amount should include all CPI and /or income retained in the trust account while it was active.
- Line 10. Enter the amount distributed in 2010 due to partial or complete construction of mausoleums, columbariums or lawn crypts. This amount should include all CPI and/or income retained in the trust account while it was active.
- Line 11. Add lines 8 through 10. Enter result.

MASTER TRUST INCOME, LOSSES AND EXPENSES

- Line 12. Enter the amount of gross realized income earned by the master trust account(s) in 2010 and substantiated by bank records.
- Line 13. Enter the amount of gross unrealized income earned by the master trust account(s) in 2010 and substantiated by bank records.
- Line 14. Enter the amount of gross realized losses sustained by the master trust account(s) in 2010 and substantiated by bank records.
- Line 15. Enter the amount of gross unrealized losses sustained by the master trust account(s) in 2010 and substantiated by bank records.
- Line 16. Calculate the net income earned or net loss sustained by the master trust account in 2010. Add line 12 and line 13. Separately add line 14 and line 15. Subtract the sum of lines 14 and 15 from the sum of lines 12 and 13. Enter the result.
- Line 17.
- Enter the whole amount of FET incurred in 2010 only if the amount of net income on line 16 is greater than the amount of FET.
 - If line 16 shows net income but it is less than the whole amount of FET, only enter FET in the amount of the net income or less. Remaining FET must be paid out of the pre-need seller's own separate funds. If this situation occurs, the Department must receive confirmation of reimbursement to the master trust account of the FET portion to be paid by the pre-need seller. The confirmation may be in the form of a trustee statement showing the reimbursement transaction and must be attached to the annual report.
 - If the amount on line 16 is zero or a net loss, line 17 must be zero and the whole amount of FET must be paid out of the pre-need seller's own separate funds. If this situation occurs, the Department must receive confirmation of reimbursement to the master trust account of the FET amount to be paid by

the pre-need seller. The confirmation may be in the form of a trustee statement showing the reimbursement transaction and must be attached to the annual report.

The amount on line 17 should NEVER exceed the amount on line 16. The pre-need seller is required to pay the trust account fees, expenses and taxes (FET) out of its own separate funds if the trust account did not make enough income to cover them. (NEV. REV. STAT. § 12-1113(2)(g))

Line 18. Calculate the master trust market value as of December 31, 2010. Line 4 + Line 7 – Line 11 + Line 12 + Line 13 – Line 14 – Line 15 – Line 17. Enter result.

CALCULATION OF TRUST INCOME AVAILABLE FOR DISTRIBUTION

Line 19. Carry over the amount of master trust account net income or net loss from line 16. If the amount is a net loss, skip lines 20 through 22 and enter a zero on line 23. If the amount is net income, go on to line 20.

Line 20. Carry over master trust administrative fees and expenses, including taxes, incurred by the master trust account in 2010, from line 17.

Line 21. The total income that was distributed during the year as a part of disbursements included on lines 8, 9 or 10 (agreement performances, cancellations, transfers or construction), must be included on this line.

Line 22. Carry over the amount of income required to be retained for 2010 from Schedule IIB, line 3.

Line 23. Calculate 2010 master trust income available for distribution to the pre-need seller in 2011. Line 19 – line 20 – line 21 – line 22. If the result is a negative amount, enter zero on line 23; there is no excess 2010 income to distribute. If the result is a positive amount, enter this amount on line 23; this is the amount of 2010 income available for distribution.

MASTER TRUST ACCOUNT MARKET VALUE ADJUSTED FOR ALL 2010 ACTIVITY

Line 24. If line 23 yields income available for distribution, the calculation of line 24 is dependent upon the pre-need seller's intended treatment of this income amount. The pre-need seller may choose to retain the income available for distribution in the master trust account in lieu of the CPI for that year; to distribute the entire amount of income available for distribution; or to distribute a partial amount and retain the rest in the master trust account in lieu of CPI.

c) If the entire amount of income available for distribution will be retained in the master trust account in lieu of CPI for 2010, mark "Yes" in the space provided and carry over the amount from line 18 to line 24. If you mark "No" to this option, continue to the next option.

d) If the entire amount of income available for distribution will be distributed in 2011, mark "Yes", subtract the amount on line 23 from the amount on line 18 and enter the result on line 24. If you mark "No" to this option, continue to the next option.

e) If only part of the amount of income available for distribution will be distributed in 2011, with the rest remaining in the master trust account in lieu of CPI, enter the amount to be distributed on the line provided. Subtract the amount to be distributed from line 18 and enter the result on line 24.

TOTAL CONTRACT OBLIGATIONS AS OF DECEMBER 31, 2010

Line 25. Enter the amount of all pre-need agreements outstanding as of December 31, 2010, at cost or book value. This amount should consist of the cost of all pre-need agreements which remain in trust at December 31, 2010, and should include all income retained in the trust and all whole or partial disbursements from the trust made for any reason during 2010.

SCHEDULE IVB

Only complete Schedule IVB if the pre-need seller intends to withdraw all or a portion of 2010 income available for distribution from the trust account(s) in 2011. A separate Schedule IVB must be completed for each trustee. Do not complete this schedule if excess income will be allowed to accumulate in the trust account(s).

Use the lines provided to enter the number of the trust account from which excess income will be withdrawn, and the amount to be withdrawn from that account. Duplicates of Schedule IVB are acceptable if additional space is needed. The total from all Schedule IVB pages used should equal the amount on Schedule IIB, line 3.

SCHEDULE IC

The Department is requesting the assistance of all pre-need sellers in maintaining accurate and up to date records of the pre-need agents associated with each pre-need seller.

Please use the table on Schedule IC to provide the name, pre-need license number and date of each individual who ceased being a pre-need agent for your entity during 2010.

STATE OF NEBRASKA DEPARTMENT OF INSURANCE

2010 PRE-NEED ANNUAL REPORT

Pursuant to NEB. REV. STAT. § 12-1110, each pre-need seller shall file an Annual Report for the 2010 calendar year with the Nebraska Department of Insurance. The Annual Report must be filed **on or before June 1, 2011**, 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
P.O. Box 82089
Lincoln, NE 68501-2089

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 arrangements entered into prior to January 1, 1987.

PRE-NEED SELLER INFORMATION

1. Licensee Name: _____

2. Licensee Number: _____

3. Business Address: _____

4. Business Telephone: _____

5. E-Mail Address, if any: _____

6. List Branch Locations: _____

7. Does this report cover all branch locations? YES _____ No _____

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 2010 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 _____

If "Yes" is marked, please attach a copy of the 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 bond 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 of Authorized Representative

Printed Name - Authorized Representative

Date

SCHEDULE IIA

RECONCILIATION OF INDIVIDUAL TRUST ACCOUNTS

1. Enter aggregate balance of trust accounts as of December 31, 2009, from the 2009 Annual Report \$ _____

TRUST PRINCIPAL ADDITIONS

2. Enter 2010 gross pre-need trust agreement receipts \$ _____

3. Enter amounts excluded from trust requirements in 2010 (up to 15%) \$ _____

4. Subtract line 3 from line 2 for net principal added to trust accounts during 2010 \$ _____

5. Enter interest and/or dividends earned by trust accounts during 2010 \$ _____

6. Add line 1, line 4 and line 5 for total principal added to trust accounts during 2010 \$ _____

TRUST PRINCIPAL DISTRIBUTIONS

7. Enter amount disbursed from trust during 2010 for agreement performances* \$ _____

8. Enter amount disbursed from trust during 2010 for agreement cancellations* \$ _____

9. Enter amount disbursed from trust during 2010 for construction* \$ _____

10. Enter 2010 trust administrative fees/expenses, including taxes, paid from 2010 trust income \$ _____

11. Add lines 7 through 10 for total trust distributions \$ _____

TRUST ACCOUNTS' BALANCE

12. Subtract line 11 from line 6 for the aggregate balance of trust accounts as of December 31, 2010 \$ _____

* Include all 2010 income which was earned and distributed.

SCHEDULE IIIA

RECONCILIATION OF INDIVIDUAL TRUST ACCOUNTS IF WITHDRAWING EXCESS INCOME

1. Enter total trust accounts' balance as of December 31, 2009 from the 2009 annual report \$ _____
2. Enter 2009 income distributed after January 1, 2010 \$ _____
3. Subtract line 2 from line 1 for the trust accounts' balance adjusted for the 2009 excess income distribution \$ _____

Trust Principal Additions

4. Enter 2010 gross pre-need trust agreement receipts \$ _____
5. Enter amounts excluded from trust requirements in 2010 (up to 15%) \$ _____
6. Subtract line 5 from line 4 for net principal added to trust accounts during 2010 \$ _____

Trust Principal Distributions

7. Enter amount disbursed from trust during 2010 for agreement performances \$ _____
8. Enter amount disbursed from trust during 2010 for agreement cancellations \$ _____
9. Enter amount disbursed from trust during 2010 for construction \$ _____
10. Add lines 7 through 9 for total trust principal distribution(s) during 2010 \$ _____

Trust Income, Losses and Expenses

11. Enter interest and/or dividends earned by trust accounts during 2010 \$ _____
12. Enter losses (if any) sustained by master trust account(s) during 2010 \$ _____
13. Calculate the trust accounts' net income or net loss by subtracting line 12 from line 11 \$ _____
14. Enter 2010 trust administrative fees/expenses, including taxes, paid from 2010 trust income (Please note: the amount on this line **cannot** exceed the amount on line 13.) \$ _____
15. Trust accounts' balance as of December 31, 2010 (Line 3 + Line 6 - Line 10 + Line 11 - Line 12 - Line 14) \$ _____

Calculation of Trust Income Available for Distribution

16. Carry over trust accounts' net income or net loss from line 13 \$ _____
If the amount is a net loss, skip lines 17 through 19 and enter a zero on line 20.
17. Carry over 2010 trust administrative fees/expenses, including taxes, from line 14 \$ _____
18. Enter 2010 income distributed during the year for performances, cancellations or construction \$ _____
19. Carry over 2010 income required to be retained from Schedule IIB, line 3 \$ _____
20. Trust income available for distribution to pre-need seller (Line 16 - line 17 - Line 18 - Line 19) \$ _____

Trust Accounts' Balance Adjusted for All 2010 Activity

21. Calculate line 21 based on the pre-need seller's intended treatment of income available for distribution. \$ _____
If there is income available for distribution, go on to option a).
If there is no income available for distribution, carry over the amount from line 15 to line 21.
- a) The entire amount on Line 20 will be distributed in 2011. Yes _____ No _____
If you answered yes, subtract line 20 from line 15 and enter the result on line 21.
If you answered no, go on to the next option.
- b) If a partial distribution in an amount less than the amount on Line 20 will be Amount \$ _____
made in 2011, enter that amount on the line provided.
Subtract the amount to be distributed from line 15 and enter the result on line 21.

SCHEDULE IIB

CALCULATION OF 2010 INCOME REQUIRED TO BE RETAINED IN TRUST

1. Enter the master trust account balance(s) at market value as of December 31, 2009 \$ _____
2. Percentage increase in National CPI for 2009 .027 (2.7% increase)
3. Multiply line 1 by line 2 for the 2010 income required to be retained in trust \$ _____

SCHEDULE IIIB
RECONCILIATION OF MASTER TRUST ACCOUNTS

1. Enter master trust account balance as of December 31, 2009 from the 2009 annual report \$ _____
2. Enter the market value of the master trust account as of December 31, 2009 \$ _____
3. Enter 2009 income distributed after January 1, 2010 \$ _____
4. Subtract line 3 from line 2 for the master trust account market value adjusted for the 2009 excess income distribution \$ _____

Master Trust Principal Additions

5. Enter 2010 gross pre-need trust agreement receipts \$ _____
6. Enter amounts excluded from trust requirements in 2010 (up to 15%) \$ _____
7. Subtract line 6 from line 5 for net principal added to master trust account during 2010 \$ _____

Master Trust Principal Distributions

8. Enter amount disbursed from trust during 2010 for agreement performances \$ _____
9. Enter amount disbursed from trust during 2010 for agreement cancellations \$ _____
10. Enter amount disbursed from trust during 2010 for construction \$ _____
11. Add lines 8 through 10 for total master trust principal distribution(s) during 2010 \$ _____

Master Trust Income, Losses and Expenses

12. Enter gross realized income earned by master trust account(s) during 2010 \$ _____
13. Enter gross unrealized income earned by master trust account(s) during 2010 \$ _____
14. Enter gross realized losses sustained by master trust account(s) during 2010 \$ _____
15. Enter gross unrealized losses sustained by master trust account(s) during 2010 \$ _____
16. Calculate the master trust account net income or net loss by adding lines 14 and 15 and subtracting the result from the sum of lines 12 and 13 \$ _____
17. Enter 2010 master trust administrative fees/expenses, including taxes, paid from 2010 trust income (Please note: the amount on this line **cannot** exceed the amount on line 16.) \$ _____

18. Master trust market value as of December 31, 2010 (Line 4 + Line 7 – Line 11 + Line 12 + Line 13 – Line 14 – Line 15 – Line 17) \$ _____

Calculation of Trust Income Available for Distribution

- 19. Carry over master trust account net income or net loss from line 16 \$ _____
If the amount is a net loss, skip lines 20 through 22 and enter a zero on line 23.
- 20. Carry over 2010 master trust administrative fees/expenses, including taxes, from line 17 \$ _____
- 21. Enter 2010 income distributed during the year for performances, cancellations or construction \$ _____
- 22. Carry over 2010 income required to be retained from Schedule IIB, line 3 \$ _____
- 23. Master trust income available for distribution to pre-need seller \$ _____
(Line 19 — line 20 — Line 21 — Line 22)

Master Trust Account Market Value Adjusted for All 2010 Activity

- 24. Calculate line 24 based on the pre-need seller's intended treatment of income available for distribution. \$ _____
If there is no income available for distribution, carry over the amount from line 18 to line 24 and go on to line 25.
 - c) The entire amount on line 23 will be retained in the master trust account in lieu of CPI. Yes _____ No _____
If you answered yes, carry over the amount from line 18 to line 24.
If you answered no, go on to the next option.
 - d) The entire amount on Line 23 will be distributed in 2011. Yes _____ No _____
If you answered yes, subtract line 23 from line 18 and enter the result on line 24.
If you answered no, go on to the next option.
 - e) If a partial distribution in an amount less than the amount on Line 23 will be Amount \$ _____
made in 2011, enter that amount on the line provided.
Subtract the amount to be distributed from line 18 and enter the result on line 24.

Total Contract Obligations as of December 31, 2010

- 25. Enter the amount of total pre-need contract obligations outstanding as of December 31, 2010 \$ _____

SCHEDULE IVB

2010 INCOME REQUIRED TO BE RETAINED BY TRUST

Name of Trustee: _____

	TRUST ACCOUNT NUMBER	AMOUNT OF 2010 INCOME REQUIRED TO BE RETAINED
1.	_____	\$ _____
2.	_____	\$ _____
3.	_____	\$ _____
4.	_____	\$ _____
5.	_____	\$ _____
6.	_____	\$ _____
7.	_____	\$ _____
8.	_____	\$ _____
9.	_____	\$ _____
10.	_____	\$ _____

TOTAL FROM THIS PAGE \$ _____

TOTAL FROM ALL SCHEDULE IVB PAGES USED \$ _____
(Should equal amount on Schedule IIB, line 3)

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

