

## 2022 PRE-NEED ANNUAL REPORT INSTRUCTIONS – INDIVIDUAL TRUSTS

### 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, 2023, on such forms as prescribed by the Nebraska Department of Insurance.
2. **The Department has created an online portal for the submission of these forms. There are formulas embedded within the form for all calculations. Once you enter the appropriate information, all calculations will be done automatically.**
3. **After you submit the form, you will taken to a screen to submit the \$50 filing fee. The system will accept either a credit card or bank information for an ACH transaction.**
4. **If you close out of the form prior to submitting, you will need to start over when you go back in.**
5. **If you have questions or trouble with the submission, please contact either [lisa.pape@nebraska.gov](mailto:lisa.pape@nebraska.gov) or [Kristy.hadden@nebraska.gov](mailto:Kristy.hadden@nebraska.gov)**
6. 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 to file an Annual Report with the Nebraska Department of Insurance, as long as trust funds are being held.
7. 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.
8. 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, 2022.
9. 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).
10. 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.

TRUSTING METHOD	Certificates of Deposit Method 1	Certificates of Deposit Method 2	Letter of Credit	Surety Bond
TREATMENT OF EXCESS INCOME	Allow income to accumulate in the trust account in lieu of CPI	Withdraw income in excess of CPI from trust account	N/A	N/A
ANNUAL REPORT MUST INCLUDE	Cover page and page 2	Cover page and page 2	Cover page and page 2	Cover page and page 2
	Schedule IA	Schedule IA	Attach copy of letter of credit	Attach copy of surety bond
	Schedule IIA	Schedule IIA		

### VIOLATIONS AND PENALTY

Pursuant to NEB. REV. STAT. § 12-1118, 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

### COVER PAGE

- Line 1. Enter the name of the pre-need seller (company) 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 Federal Employer Identification Number or FEIN.
- 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."

### **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.

### PAGE 2

#### **Letter of Credit/Surety Bond**

Mark "Yes" if the pre-need seller utilized a letter of credit or surety bond during the 2022 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.

#### **Pre-Need Agents Ceasing Employment in 2022**

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 to provide the name, pre-need license number and date of the end of employment for each individual who ceased being a pre-need agent for your entity during 2022.

### SCHEDULE IA

- Report all pre-need trust account balances held by trustees on December 31, 2022, **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.
- The total balance amount from all Schedule IA pages used should equal the Trust Account Balance amount of Schedule IIA, line 12 or Schedule IIIA, line 15.

### SCHEDULE IIA

- Line 1. Enter the aggregate balance of trust accounts as of December 31, 2022, based on bank records. This amount should be the same as that reflected on the 2022 Annual Report, Schedule IIA, line 12. If, according to the bank records, this amount is no longer the same as on the 2022 Annual Report, the difference must be explained on the 2022 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 for 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 2022. 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 2022. Do not include income which belongs to pre-need agreements dated prior to January 1, 1987.
- Line 6. Add line 4 and line 5. Enter result.

### **Trust Principal Distributions**

Report only those amounts which were actually disbursed during 2022 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, 2022, should be reported in the year in which the actual disbursement is made.

**EXAMPLE:** An agreement was performed on December 31, 2022. Funds from the corresponding trust account were not disbursed until January 1, 2023. This disbursement should not be included in the 2022 Annual Report because as of December 31, 2022, the funds were still in the trust account.

- Line 7. Enter the amount disbursed in 2022 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 disbursed in 2022 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 disbursed in 2022 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 disbursed in 2022 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 Account Balance**

- Line 12. Add line 1 and line 6 then subtract line 11. Enter result. The amount on this line should equal the total balance amount from all Schedule IA pages used. If the ending balances of Schedules IA and IIA do not match, a reconciliation of the difference must be attached to this report.