001. Statutory Authority. This regulation is promulgated pursuant to the authority granted by NEB. REV. STAT. §§44-101.01, 44-404, and 44-420 to 44-427.

002. Scope. This regulation applies to preneed insurance contracts, as defined in section 004 of this regulation, and to similar policies and certificates.

003 Purpose. The purpose of this regulation is to establish for preneed insurance products minimum mortality standards for reserves and nonforfeiture values, and to require the use of the 1980 Commissioners’ Standard Ordinary (CSO) Life Valuation Mortality Table for use in determining the minimum standard of valuation of reserves and the minimum standard nonforfeiture values for preneed insurance products.

004. Definitions.

004.01 “2001 CSO Mortality Table” means that mortality table, consisting of separate rates of mortality for male and female lives, developed by the American Academy of Actuaries CSO Task Force from the Valuation Basic Mortality Table developed by the Society of Actuaries Individual Life Insurance Valuation Mortality Task Force, and adopted by the NAIC in December 2002. The 2001 CSO Mortality Table is included in the Proceedings of the NAIC (2nd Quarter 2002). Unless the context indicates otherwise, the “2001 CSO Mortality Table” includes both the ultimate form of that table and the select and ultimate form of that table and includes both the smoker and nonsmoker mortality tables and the composite mortality tables. It also includes both the age-nearest-birthday and age-last-birthday bases of the mortality tables.


004.03 “Preneed insurance,” for the purposes of this regulation, shall mean any life insurance policy or certificate that is issued in combination with, in
support of, with an assignment to, or as a guarantee for a prearrangement contract or agreement for goods and services to be provided at the time of and immediately following the death of the insured. Goods and services may include, but are not limited to embalming, cremation, body preparation, viewing or visitation, coffin or urn, memorial stone, and transportation of the deceased. The status of the policy or contract as preneed insurance is determined at the time of issue in accordance with the policy form filing.

005. Minimum Valuation Mortality Standards. For preneed insurance contracts, as defined in subsection 004.03, and similar policies and contracts, the minimum mortality standard for determining reserve liabilities and nonforfeiture values for both male and female insureds shall be the Ultimate 1980 CSO.

006. Minimum Valuation Interest Rate Standards.

006.01 The interest rates used in determining the minimum standard for valuation of preneed insurance shall be the calendar year statutory valuation interest rates as defined in NEB. REV. STAT. §§44-404 and 44-420 to 44-427.

006.02 The interest rates used in determining the minimum standard for nonforfeiture values for preneed insurance shall be the calendar year statutory nonforfeiture interest rates as defined in NEB. REV. STAT. §44-407 ET SEQ.

007. Minimum Valuation Method Standards.

007.01 The method used in determining the standard for the minimum valuation of reserves of preneed insurance shall be the method defined in NEB. REV. STAT. §§44-404 and 44-420 to 44-427.

007.02 The method used in determining the standard for the minimum nonforfeiture values for preneed insurance shall be the method defined in NEB. REV. STAT. §44-407 ET SEQ.

008. Transition Rules.

008.01 For preneed insurance policies issued on or after the effective date of this regulation and before January 1, 2012, the 2001 CSO may be used
as the minimum standard for reserves and minimum standard for nonforfeiture benefits for both male and female insureds.

008.02  If an insurer elects to use the 2001 CSO as a minimum standard for any policy issued on or after the effective date of this regulation and before January 1, 2012, the insurer shall provide, as a part of the actuarial opinion memorandum submitted in support of the company’s asset adequacy testing, an annual written notification to the domiciliary commissioner/director. The notification shall include:

008.02A  A complete list of all preneed policy forms that use the 2001 CSO as a minimum standard;

008.02B  A certification signed by the appointed actuary stating that the reserve methodology employed by the company in determining reserves for the preneed policies issued after the effective date and using the 2001 CSO as a minimum standard, develops adequate reserves (For the purposes of this certification, the preneed insurance policies using the 2001 CSO as a minimum standard cannot be aggregated with any other policies.); and

008.02C  Supporting information regarding the adequacy of reserves for preneed insurance policies issued after the effective date of this regulation and using the 2001 CSO as a minimum standard for reserves.

008.03  Preneed insurance policies issued on or after January 1, 2012, must use the Ultimate 1980 CSO in the calculation of minimum nonforfeiture values and minimum reserves.

009. Effective Date. This regulation is applicable to preneed insurance policies and certificates and similar contracts and certificates, as specified in section 002 of this regulation, issued on or after January 1, 2009.