



Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

Bulletin 2007-4

To: All Life Insurance Companies and Other Regulated Entities

From: Sandy Praeger, Commissioner of Insurance

Date: June 20, 2007

Re: Provision of Life and Annuities Electronically and NAVA Straight-Through Processing (STP) Standards

This Bulletin is being issued to provide guidance to companies that wish to process new life and annuity business electronically. In the opinion of the Kansas Commissioner of Insurance conducting business electronically can provide benefits for consumers and the life industry by simplifying the process of selling life and annuity policies, reducing transaction costs and the time needed to process applications. The NAVA Straight-Through Processing (STP) Standards are a comprehensive set of standards establishing an industry-sponsored process for doing electronic new business submission for annuities.

Electronic Signatures and Records

K.S.A. 16-1601, et seq. allows regulated entities to conduct business with consenting consumers electronically and provides for the legal recognition of electronic signatures, electronic records, and record retention related to electronic transactions.

Record Retention

Electronic recordkeeping is generally subject to the same timelines and other standards as recordkeeping in other media. A regulated entity is in compliance with the state's recordkeeping requirements if it can reassemble the original information upon request.

Delivery Requirements

For purposes of delivery and other communications required or permitted by the Kansas Insurance Code and its attendant regulations, delivery and communication by electronic or other verifiable means is not precluded where agreed to by the parties involved. If a law or regulation requires a record, notice or document to be attached to or enclosed with other records, documents, or notices, the law or regulation can be satisfied in the electronic environment so long as it is clear that the attached or enclosed record, document, or notice is logically associated with or linked to the same electronic record as the principal record, document, or notice.

Records of disclosures and communications between a consumer and an insurance company, required to be maintained by Kansas Administrative Regulations (K.A.R.) 40-2-12 and 40-2-14, may be delivered, acknowledged and maintained in paper, photographic, microprocess, magnetic, mechanical or electronic media or by any process that accurately reproduces the actual document.

NAVA Straight-Through Processing (STP) Standards

The Kansas Insurance Department finds that the NAVA STP Standards and processes comply with the electronic signature, record retention and delivery requirements discussed above as well as the annuity disclosures required by K.A.R. 40-2-14 and the requirements regarding replacement of life insurance and annuities found in K.A.R. 40-2-12.

If you have any questions regarding this Bulletin, please contact Marlyn Burch at the Kansas Insurance Department, 420 SW 9th Street, Topeka, Kansas, 66612, via phone at (785) 296-3071, or via email at mburch@ksinsurance.org.