



**ARKANSAS INSURANCE DEPARTMENT
LEGAL DIVISION**

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BULLETIN 5-99

July 6, 1999

TO: All Licensed Foreign, Alien & Domestic Insurers, Accredited/Trusteed Reinsurers, Farmers Mutual Aid Associations, Hospital & Medical Service Corporations, Health Maintenance Organizations, Risk Retention Groups, Fraternal Benefit Societies, Insurer Trade Associations, Rate Service or Advisory Organizations, Agent & Broker Trade Associations, Licensed Consultants, TPAs, Agent Education Course Providers, Auto Clubs or Associations, Continuing Care Facilities, Life Care Providers, Notary Bond Surety Corps, ELFs, Purchasing Groups, Joint Underwriting Associations, Pools, Associations, Syndicates & Others Not Qualified as Rate Service or Advisory Organizations.

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: Electronic Signatures

The purpose of this Bulletin is to address the submission of electronic signatures in filings required pursuant to Ark. Code Ann. Sections 23-60-107—23-101-114. Act 119 of the 1999 legislative session amended Ark. Code Ann. Section 23-61-107 to permit the Insurance Commissioner to accept and authenticate electronic signatures in such filings. As the insurance industry becomes more reliant on computers and Internet technology for its business practices, the Insurance Department is modifying its filing requirements to accommodate the insurers and insureds transacting business in the State of Arkansas. The provisions of this Act shall be construed to promote the development of electronic government and electronic commerce.

In lieu of the original signatures on records and filings, the signature can be reproduced in electronic communication including, but not limited to, email or facsimile, diskette or other computer-readable signatures. The electronic signature must provide the Commissioner with enough information and detail as to allow the Commissioner, if necessary, to confirm that the electronic signature is authentic pursuant to Act 119. The Commissioner will not conduct authentication and verification of each electronic signature; however, authentication of any electronic signature is within the discretion of the Commissioner.

Act 119 did not provide definitions of the terms associated with electronic filings. The Commissioner will defer to Act 718 of the 1999 Legislative Session, the Arkansas Electronic Records and Signatures Act, as guidance for these defined terms. As defined in Act 718, "electronic signature" means an electronic or digital method executed or adopted by a party with the intent to be bound by or to authenticate a record, which is unique to the person using it, is capable of verification, is under the sole control of the person using it, and is linked to data in such a manner that if the data is changed the electronic signature is invalidated.

Authentication is a process used by the Commissioner to ascertain the identity of a person or the integrity of specific information. For a message, authentication involves ascertaining its source and that it has not been modified or replaced in transit. Any person may, but shall not be required to, accept or agree to be bound to an electronic record that is executed by an electronic signature. If acceptance or agreement of use of an electronic record is required to be witnessed or notarized, the confirmation by the witness or notary may be transmitted via electronic signature.

Currently, the Department has not adopted a formal process of authentication for the electronic filings. Use of an electronic signature complying with the guidelines provided by the Secretary of State of the State of Arkansas pursuant to Act 718 are recommended by the Department. Individuals should submit filings with electronic signatures in compliance with electronic industry standards so as to allow the Commissioner to authenticate the electronic signature. If necessary, the Department will issue a directive in the future on the specific methods of filings and method of authentication. Please contact Leslie Fiskens, Associate Counsel, at (501) 371-2820 if you have any questions regarding this Bulletin.

MIKE PICKENS
INSURANCE COMMISSIONER