

The following is an annotation of NAVA's Standards with regard to creating and sustaining the records produced by the annuity sales transaction. In the annotations, assignment of responsibility is established along with key points which should assist those charged with implementing the Standards.

72.1	All documents presented to the customer whether for viewing or for action shall be retained as legal records of the transaction.
NOTE	<p>Responsibility is assigned to Distributor</p> <ul style="list-style-type: none"> • Common industry practice is to include any information presented to the customer into the legal record of the transaction. • With that in mind, what is presented ... eg, 'jumps' to other web pages, references to other documents and / or web pages / sites ... should be constrained to those documents and information required by the process.
72.2	All records shall be retained and managed as ISO PDF (A).

	<p>Responsibility is assigned to Distributor and Insurer</p> <ul style="list-style-type: none"> • UETA sets a minimum requirement for electronic records requiring that any such record: <ul style="list-style-type: none"> -“remains accessible to all persons who are entitled to access by statute, regulation, or rule of law, for the period required by such statute, regulation, rule of law, in a form that is capable of being accurately reproduced for later reference, whether by <ul style="list-style-type: none"> • Transmission, printing or otherwise. • ISO PDF standards (PDF 1.4 [PDF/A-1]) are open standards for long term preservation supported by a large number of software companies who provide electronic document products. All final form documents used in the NAVA STP transaction should be contained in PDFs (one document per PDF) and the PDFs must conform to ISO Standards. • Long term preservation requirements include. <ol style="list-style-type: none"> 1. Device Independent - Can be reliably and consistently rendered without regard to the hardware or software platform 2. Self-contained - Contains all resources necessary for rendering 3. Self-documenting -Contains its own description 4. Unfettered - Absence of technical file protection mechanisms 5. Available - Authoritative specification publicly available • Care should be taken to insure that records produced from the NAVA STP transaction align with the ISO Standard for PDF. While a number of companies develop products that adhere to this Standard, some also provide features and functions that are not supported by the ISO Standard and, thus, should be avoided. A quick (but not necessarily comprehensive) litmus test as to whether a PDF document conforms to the ISO Standards would be to open the document using a variety of viewers not provided by the manufacturer of the software that created the PDF.
72.3	<p>Records management and retention with respect to Distributors shall be undertaken in accordance with Securities and Exchange Act (Exchange Act) Rules 17a-3 and 17a-4, NASD Conduct Rule 3110, and any other applicable state or federal law. Records management and retention with respect to Insurers and that relate to customer purchases of annuity contracts shall be undertaken in accordance with Exchange Act Rules 17a-3 and 17a-4, Investment Company Act Rule 31a-2, and any other applicable state or federal law.</p>

	<p>Responsibility is assigned to Distributor and Insurer</p> <ul style="list-style-type: none"> • Among other requirements, records are to be archived onto “write-once-read-many” or, ‘WORM’ media. • Records must be viewable using non-proprietary software ‘readers.’ • Records must be protected through application of common industry practices for disaster recovery. (Broker-Dealers are held to high standards to this end by the SEC.) • Records must have a defined retention or ‘life-cycle’ which, for NAVA, is the life of the contract plus ten years.
72.4	<p>Records directly generated or used in the STP process will be retained by the Distributor and the Insurer as legal records of the process. Both parties will comply with SEC Rule 17a-4 and any other state or federal law or regulation. Additionally, both Distributor and Insurer shall preserve the record for the life of the contract plus seven years. Both parties will insure the contents of record are preserved intact as produced by the process. Distributors will include in the record transmitted to the Insurer only those documents required by the Insurer as set forth in <u>“NAVA Forms / Disclosures Matrix – New Business.”</u> Both parties agree (via the Trading Partner Agreement) that they and their assigns will conform to this Standard.</p>
	<p>Responsibility is assigned to Distributor and Insurer</p> <ul style="list-style-type: none"> • Records of the STP transaction held by the Insurer are exact replications of those held by the Distributor however, the Insurer’s records are a sub-set of those held by the Distributor. • Insurer records consist of only which the Insurer is required by regulation to hold and manage. • The Distributor should transmit to the Insurer all pertinent STP transaction records in ISO Standard PDF (A) with each instance of PDF containing only a single document (a document can consist of one or more pages, sections, records, file, etc but was constructed under a single name or ID).
	<p>Metadata conforming to the Dublin Core RDF standard shall be installed into the record.</p> <ul style="list-style-type: none"> • E.g.; birth date (of document); i.e., date/hour/seconds to the 10th of a second. • Distributor name. • Prescribed retention period expressed by an expiration date (which does not imply the actual termination or record destruction date).

	<p>Responsibility is assigned to Distributor</p> <ul style="list-style-type: none"> • So as to simplify the filing of electronic records into both the Distributor's and the Insurer's records management system and, more importantly, insure the accuracy of that filing, a minimum amount of data is required to be placed into the metadata associated with the records. • This includes the document full name • The document 'birth date' expressed to the tenth of a second and in ISO Standard expressions for data and time stamping. • The prescribed retention period (lifecycle) for the record. <ul style="list-style-type: none"> ○ Currently the life of the contract plus ten years under NAVA Standards. ○ The actual lifecycle may be greater depending on the rules for records management applied by either the Distributor and / or the Insurer.
72.6	<p>Content integrity protection installed into signed documents should be preserved by both the Distributor and Insurer. This is an incremental requirement to most records management methods and is required by the nature of this record.</p>
	<p>Responsibility is assigned to Distributor and Insurer</p> <ul style="list-style-type: none"> • Records must be rendered as ISO Standard PDF (A). <ul style="list-style-type: none"> ○ While PDF (A) standards do not allow content to be encrypted, "signed" PDF (A) records recognize the electronic signature and provide specific security measures to protect the integrity of the signature using logic embedded with the signature.

72.7	<p>Should there be a recognized threat against either the content or structure of any signed document; the following prescribed events must be launched.</p> <ul style="list-style-type: none"> • The NAVA seal associated with the integrated electronic document and signature will be removed. • Alerts describing the event, the name of the affected document (within the record), and the action taken must be sent, as provided for in the Trading Partner Agreement, to the trading partners. These shall be identified security notifications points; e.g., the Insurer, and the producer responsible for the customer relationship (for notification and resolution with the customer). • If the fault is not remedied within a reasonable time period conforming with current laws, the private party interests e.g.; the customer, customer's representatives, agents, assigns, etc. must be notified in a manner where the receipt of notification can be confirmed.
	<p>Responsibility is assigned to Distributor and Insurer</p> <ul style="list-style-type: none"> • Requirements imposed on the use of electronic signature for the purpose of signing documents used in the NAVA STP transaction require a NAVA icon or 'seal' to visibly associated with the signature. (This should be facilitated by the e-signature technology provider.) • On any occasion where the signature is voided due to a compromise of document and / or content integrity, the seal must be removed (logic provided by the e-signature technology provider). • On any occasion where the signature is voided, actions must be taken as prescribed in the Trading Partner Agreement including <ul style="list-style-type: none"> ○ security notifications, ○ time allowed to repair the document and / or retrieve another from the corresponding trading partner before the document signers are notified, ○ Other actions that are stipulated in the Trading Partner Agreement. • Business rules, procedures, and / or processes must be established by both the Distributor and Insurer to provide for private party notification if the time allowance for resolving and / or repairing the problem exceeds that provided by current law, regulation, or the Trading Partner Agreement, whichever requires the least time, all private party interests must be notified.

CROSS REFERENCES	
<u>REFERENCE</u>	<u>SOURCE LOCATION</u>
STP Process Model Reference Links <ul style="list-style-type: none"> ❖ Account Opening ❖ Product Presentation ❖ Selection and Order Entry ❖ Principal Suitability Review ❖ Application Process ❖ Insurer Application Process 	
Related Documents	NAVA Position Paper on Records Retention & Management Legal Memorandum regarding “Originals” vs “Duplicates” of Electronic Records ISO Standard 19005 - PDF for Archiving Dublin Core RDF SEC Regulation 17a-4 NASD 3110 - Books and Records NAVA Forms & Disclosures Matrix - New Business STP Glossary of Terms
Check lists	Check List for Implementation
STP Standards	All STP Standards