

Electronic Signatures For Beneficiary Designations



Standard Insurance Company has Life/Accidental Death and Dismemberment (AD&D) contract language available that supports employers' use of electronic signatures for beneficiary designations. This flyer will help you design an electronic and/or telephonic designation process and system that will provide the necessary documentation when a claim arises.

The policy must be issued with the proper language to allow The Standard to recognize electronic designations. Your local Employee Benefits Sales and Service Office can give you more information about the availability of this language.

What Is An Electronic Signature?

As defined in the Electronic Signatures in Global and National Commerce Act, an electronic signature is "an electronic sound, symbol or process, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record."

What Functionality Should You Provide?

There are two main components necessary: a sound business process and a secure system. The process and system should provide the following:

- Access to the system is controlled. For example, each employee uses a unique and secure login with a private password or PIN to gain access.
- A third party cannot enter an employee's designation into the system.
- An employee must be allowed to enter at least one primary and at least one contingent beneficiary.
- The information needed for each beneficiary should consist of full name, address and relationship.
- If allowing for the entry of multiple beneficiaries, the system will also need to track the percentage of benefit allocated by the employee for each beneficiary. The system should also ensure that the total percentage of allocated benefit equals 100 percent within each class (primary or contingent).
- Provide historical information about an employee's designations and the dates on which they were made.



**To learn more about
The Standard's electronic
signatures for beneficiary
designations, please
contact our Life Benefits
Department at 800.628.8600.**

continued on reverse

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Employee Benefits

- Inform each employee that creation of an electronic signature is the equivalent of a signed and dated signature in ink. This message should be communicated in a way that requires an identifiable action from the employee, such as selecting a button labeled “I agree,” to represent their creation of an electronic signature.

The following is a sample message:

By <description of action required to constitute an electronic signature>, you are making an electronic signature in accordance with applicable state or federal law. This signature is the equivalent of a manual signature.

- Allow the benefits administrator to print out the beneficiary information for a particular employee – including the date the designation was made – to provide with a claim.

How Does An Electronic Beneficiary Designation Affect A Claim?

The use of electronic and telephonic beneficiary designations does not eliminate the need to submit a properly completed Proof of Death claim form. Benefits administrators will need to be able to print beneficiary information to submit with the claim. The beneficiary information must list the beneficiaries named by an employee and the date the designations were made.

Additional Information

The Standard encourages employers to consult with their legal counsel to ensure the usage of electronic signatures is in accordance with state and federal laws. This is especially recommended if the employer chooses to utilize telephonic beneficiary designations.

If you would like additional information, please contact The Standard at 800.628.8600 and select option one to reach the Life Benefits Department. We are committed to helping you ensure that your technology investment simplifies your administration and allows you to spend more time focusing on your employees.