

SUPPORTING STATEMENT
VA FORMS 29-389 and 29-389-1
NOTICE OF LAPSE, NOTICE OF PAST DUE PAYMENT
2900-0128

JUSTIFICATION:

1. These forms are used by the policyholder to reinstate a lapsed life insurance policy. The information requested is authorized by law, 38 CFR Section 8.11.
2. The information collected on these forms is used by the Department of Veterans Affairs (VA) to determine the insured's eligibility to reinstate.
3. VA Form 29-389 will be available on the One-VA web site in a fillable electronic format. VA Form 29-389-1 is produced on a Xerox printer. VBA is currently hosting this form on a secure server and does not currently have the technology in place to allow for the complete submission of this form. Validation edits are performed to assure data integrity. Efforts within VA are underway to provide a mechanism to allow the information to be submitted electronically with a recognized signature technology. There currently is no utility process in place that will allow the data submitted on this form to be incorporated with an existing centralized legacy database.
4. The information is not contained in any other VA records. Similar information is not available elsewhere.
5. The information does not involve any small businesses.
6. These forms are designed for use by the insurance activity to determine the insured's eligibility to reinstate.
7. There are no special circumstances requiring that the collection of information be conducted in a manner inconsistent with the guidelines in 5 CFR Section 1320.6.
8. The Department notice was published in the Federal Register on December 15, 2008, page 76100. There were no comments received in response to this notice.
9. The information collected is supplied by the respondent. No remuneration is made.
10. The information collection conforms with the Privacy Act of 1974 and is subject to the conditions of disclosure contained therein. The records are maintained in the system identified as 36VA00, "Veterans and Armed Forces Personnel United States Government Life Insurance Records - VA" as contained in the Privacy Act Issuances, 1993 Compilation.
11. There are no questions of a sensitive nature.

12. We estimate that approximately 16,993 VA Form 29-389 and 6,359 VA Form 29-389-1 will be received per year. We also estimate that it will take approximately 12 minutes to complete VA Form 29-389 and 10 minutes to complete VA Form 29-389-1. We arrived at these estimates by initiating a trial with a VA staff member unfamiliar with the forms. The annual burden is 3,399 hours for the VA Form 29-389 and 1,060 hours for the VA Form 29-389-1. The total annual burden is 4,459 hours. The cost to the reporting public is \$66,885 (4,459 hours X \$15/hour).

13. This submission does not involve any record keeping costs.

14. Cost to Government:

\$12,314.00	Estimated mailing cost (23,352 X 2 minutes per form X \$7.45/hour (average salary for station mail personnel) plus 23,352 X 27.9 cents each (presort discount)).
\$6,157.00	Estimated cost for collections (23,352 X 2 minutes per X \$7.91/hour (average salary of station collections personnel)).
\$47,288.00	Estimated cost for processing (23,352 forms X 10 minutes per form X \$12.15/hour (average salary for reviewers)).
\$720.00	Estimated printing costs (24,000 X \$30/1,000 forms).
\$66,479.00	Total cost to the Government.

15. There is no change in respondent burden.

16. The information is collected for insurance purposes only and there are no plans for publication.

17. The collection instruments, VA Forms 29-389 and 29-389-1, may be reproduced and/or stocked by the respondents and veteran service organizations. These VA forms do not display an expiration date, and if required to do so would result in unnecessary waste of existing stock of these forms. These forms are submitted to OMB for approval every three years. As such, this date requirement would also result in an unnecessary burden on the respondents and would delay Department action on the benefit being sought. VA also seeks to minimize its cost to itself of collecting, processing and using the information by not displaying the expiration date. For the reasons stated, VA continues to seek an exemption that waives the displaying of the expiration date on these VA forms.

18. There are no exceptions to the certification statement identified in Item 19 of OMB Form 83-I.

B. EMPLOYING STATISTICAL METHODS.

The data collection does not employ statistical methods.