

TO: All Insurers Licensed and Authorized to Transact Business within the State of South Carolina

**FROM: Andrea Bourgoin
Program Manager for Individual Licensing Services**

RE: Changes to Fingerprinting Process for Insurance Producers

DATE: August 22, 2024

The South Carolina Department of Insurance (Department) is authorized to request and receive fingerprint-based background checks under SC Code of Laws § 38-43-100 and § 38-53-90 to determine eligibility to be licensed as a resident insurance producer and/or bondsman. This authority has been granted by the FBI under Public Law (Pub. L.) 92-544. The criminal history record information (CHRI) received by the Department pursuant to this authority is subject to the security and protection measures outlined in Pub. L. 92-544, the FBI CJIS Security Policy, and the National Crime Prevention and Privacy Compact. SLED CJIS is responsible for auditing the Department, and other SC agencies authorized to receive CHRI, to ensure compliance with the various federal requirements.

To satisfy policy and audit requirements, the Department must be able to provide sufficient reason to substantiate every fingerprint submission under the agency's authority. In short, the Department must have documentation showing each person who submitted fingerprints under the agency's FBI-assigned ORI did so for a legitimate, authorized purpose. Per § 38-43-100 and § 38-53-90, the only acceptable documentation is the individual's application for a producer and/or bondsman license, received by the Department prior to the individual submitting their fingerprints.

Based on this requirement, the following compliance discrepancies have been noticed:

1. An individual's fingerprints submitted **prior to** an application being received by the Department;
2. An individual's fingerprints submitted and an application **never** being received by the Department;
3. An individual's fingerprints submitted for adjuster licensure (**not authorized** by the statute);
4. An individual's fingerprints submitted for insurance producer renewal purposes (as long as the producer license remains active, this is not a requirement in the statute); and
5. A non-resident individual's fingerprints submitted (not a requirement in the statute).

Therefore, prior to a company instructing an applicant to be fingerprinted, the applicant must submit a producer and/or bondsman license application to the Department. Once the individual has submitted their application, then the Department will send the applicant fingerprinting instructions, including the ORI number or service code, and the required applicant notices. Companies may not save and reuse the ORI number/service code or fingerprint instructions for future applicants. Any public information (i.e. websites) containing fingerprint instructions or the ORI must be removed immediately.

Effective immediately, if fingerprints are received by the Department without an application, the fingerprints will be destroyed, and the individual will have to schedule and pay for another fingerprint appointment after an application has been submitted. There will be no exceptions to this process. Failure to adhere to the new procedures may cause an extended application processing timeframe beyond our goal of one to three business days.

Please disregard this notice if this does not pertain to your company.

The Department appreciates your cooperation in resolving these issues.

abourgoin@doi.sc.gov