

Frank H. Murkowski, Governor

NOTICE

TO: ALL RESIDENT INSURANCE LICENSEES AND ADMITTED INSURERS

RE: CHANGES TO FINGERPRINTING PROCEDURE

An individual seeking to obtain an insurance license is required to submit two fingerprint cards for the division to perform criminal background checks on the applicant. These state and national checks are performed by the Department of Public Safety and the Federal Bureau of Investigation.

Since 2002, the division has allowed our testing vendor, Promissor, Inc., to offer electronic fingerprinting to *passing* candidates at the Anchorage test center location. This process uses live-scan imaging, which substantially reduces the rejection rate for bad fingerprints that occur using the wet-ink method, as well as providing a convenience to candidates to immediately obtain the prints for their application packet.

The division is continuing its efforts to streamline our filing processes and related submissions under the Alaska Insurance Code in order to transition to an automated and electronic environment. The requirement for applicants to submit fingerprint cards for the division to conduct background checks is one area that soon will be transitioned into an electronic process.

Requirement and Process Change

The division is a member of the National Association of Insurance Commissioners (NAIC), an organization that is currently in the process of developing a centralized national repository that will store electronic fingerprints on licensed insurance producers throughout the United States. These prints will be stored for future use. The NAIC is working with five state insurance departments on a pilot project to develop a centralized repository for digital fingerprints. These states, Alaska, California, Idaho, New York, and Pennsylvania, were selected as they currently collect fingerprints to conduct a background check and have the proper authorization to receive the national criminal history reports.

To participate in the national repository, each state will collect and transmit its resident applicants' electronic fingerprints to the national repository. The division has contracted with our examination vendor, Promissor, Inc., to collect and transmit the electronic prints to the national repository over a secure transmission line.

Before the division collects and transmits the prints to the national repository, candidates will be advised that their fingerprints will be collected, transmitted, and stored at the national repository. If a candidate fails to qualify for licensure within one year of successfully passing the examination or the person's license becomes inactive for one year, the prints will be removed and destroyed.

Because of the geographical challenges of our state and the **fact that the Anchorage testing location is the only facility that has the hardware on site to transmit the electronic prints on the same day as the examination**, the process to capture and transmit a candidate's prints to the repository will be handled in one of two ways:

1) Anchorage Candidates

After a person has successfully passed the scheduled examination(s), the candidate will have their fingerprints taken. The prints will be transmitted later that night to the NAIC for storage in the repository. The candidate will also receive two paper fingerprint cards that MUST BE INCLUDED WITH THE APPLICATION PACKET submitted to the division to obtain licensure.

2) Non-Anchorage Candidates

Two fingerprint cards must be submitted to our office with the application paperwork. The fingerprints will then be scanned and transmitted to the national fingerprint repository for future use.

Fee Changes

The fee charged by Promissor, Inc. for all Alaska examination candidates to collect and transmit the prints to the national repository is included in the examination fee, which is collected when a candidate initially schedules an examination.

All candidates who register for an examination administered AFTER April 30, 2005 will be subject to BOTH the \$89 examination fee and fingerprint administrative processing fee of \$15, for a total of \$104. For those candidates who were unsuccessful in passing the examination and require retesting, the \$15 fingerprint administrative fee will not be charged.

If you have questions, please contact the Licensing Section at (907) 465-2515.

Dated this 26th day of April, 2005.

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Linda S. Hall Director