



TESTIMONY SUPPORTING SB 2194

Janelle Middlestead, Producer Licensing Division Director

Senate Workforce Development

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Good morning, Chairman Wobbema and members of the Workforce Development Committee. My name is Janelle Middlestead, Producer Licensing Division Director with the North Dakota Department of Insurance. I stand before you today to discuss Senate Bill 2194, as the Department is seeking avenues to expedite the process it takes for a producer to receive their insurance license.

The Department has required fingerprinting for resident insurance producers since 2013. This allows the department to conduct background checks on resident producers who will be representing our state to be competent, trustworthy, financially responsible and of good personal and business reputation.

The current process for an applicant who is a resident of North Dakota requires an applicant to be fingerprinted prior to the Department issuing the producer their license. The Department's current process is for the applicant to complete an online application through the National Insurance Producer Registry (NIPR). The applicant must complete and submit the following documents to the Department; a Criminal History Record Check Request form, fingerprint cards and a fee of \$40.00 which covers the cost for BCI and FBI to process the fingerprint results. Once these required documents are received by the Department, the fingerprints are submitted to BCI via inter office mail for the applicant's background to be completed by the state, as well as the federal portion of the background check by the FBI. BCI requires 7-10 business days to process each background check. Most of the background checks that have clean results, meaning there is no criminal record for the applicant, can be completed quickly and the processing time is 3-5 business days. However, if there is any criminal activity found the process can take 7-10 business days with BCI. The fingerprint results are sent to the Department from BCI via secure email. The Department will issue licenses to those with clean results immediately upon receiving the results. The results that are not clean, which have a criminal background, will be under review with the Department. This depends if the applicant disclosed this information on the application initially, by answering "yes" to the questions listed on the application.

The average time from when fingerprints are received from the applicant to the Department issuing a North Dakota producers license is averaging 8 days.

Fingerprints submitted to the Department for background checks:

2013- 160 individuals
2014- 575 individuals
2015- 548 individuals
2016- 571 individuals
2017- 555 individuals
2018- 501 individuals
2019- 503 individuals
2020- 517 individuals
2021- 592 individuals
2022- 587 individuals
2023- 569 individuals
2024- 277 individuals

The Department is looking forward to enhancing digital efficiencies which we believe will result in reducing the length of time that it takes for individuals to begin working in the insurance sector.

Thank you, Chairman Wobbema and members of the committee. I am happy to answer any questions that you may have.