

WFG Informational Bulletin

To: All South Carolina Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: June 8, 2018
Bulletin No.: SC 2018-01
Subject: South Carolina Data Security Act

We wanted to let you know about an important law that was enacted on May 3, 2018. This law goes into effect on January 1, 2019. A complete copy of the law can be found at: http://www.scstatehouse.gov/sess122_2017-2018/bills/4655.htm

If you would like to view a detailed line by line summary of the new law, Gene McCullough, an attorney from Tennessee who occasionally assists WFG, prepared an hour long video going through the statutes. His review can be found: <https://www.screencast.com/t/jycllatJm>

I encourage you review either or both of these as soon as you can. There are several deadlines, but the most important one is July 1, 2019 when you must have a completed "Information Security Program" that meets all the details spelled out in the statute. That may seem like a long way off, but if you take the time to understand what is required, you will realize it will take some time and effort to achieve compliance with this requirement.

In summary, South Carolina became the first state to adopt the National Association of Insurance Commissioners (NAIC) Model Act on Data Protection. This new statute imposes substantive obligations on both underwriters and their agents. Some of these obligations were part of ALTA's Best Practices as well as part of the Federal Graham Leach Bliley Act.

While §38-99-70 does contain an exemption for "licensees with fewer than ten employees, including any independent contractors" (think abstractors, IT personnel, or any outsiders your firm employs who would have access to the data), the exemption is not going to apply to most of our agents.

If you do not currently have an Information Security Program in place (speak with your IT professional about what they have set up for you), one place to start is our WFG Blocks Information Security (<https://wfgblocks.com/block/information-security/>). HA+W, now known as Aprio has an Information Assurance and Risk Management Service (<https://www.aprio.com/service/information-assurance/>). Another is Threat Advice, with some helpful video presentations to be found at (<https://www.threatadvice.com/lms>). Both Stasmayer (<https://www.stasmayer.com/>) and AcumenIT (<https://acumenit.com/>) were Exhibitors at the SC Bar Convention and work with SC Bar already. There are more out there but we wanted to make sure you had a few to start with.

WFG is committed to helping you understand and comply with this new law.

Information Bulletins are designed to provide our agents with information we think will help in managing their business or just being better title professionals, but which does not rise to the level of being an underwriting mandate and are not within the scope of the agency agreement.