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OFFICE OF THRIFT SUPERVISION  
DISSEMINATION BRANCH

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# Capitol Federal Savings

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October 2, 2000  
Capitol Federal's 108th Year  
of True Blue Service

JOHN C. DICUS, CHAIRMAN  
HOME OFFICE, TOPEKA, KANSAS

Manager, Dissemination Branch  
Information Management and Services Division  
Office of Thrift Supervision  
1700 G Street N.W.  
Washington, DC 20552

Attention Docket 2000-68

Re: Commentary on Proposed Regulation on Sale of Insurance Products  
12 CFR 536

Dear Sir or Madam,

I have two comments on this proposal.

## Section 536.50 (a) Segregation of Insurance Products

In many cases, customer service representatives are licensed to sell credit life or disability insurance as a normal part of their lending activities. It is impractical in most small companies to have a different person perform each function. A good example is a loan secured by a certificate of deposit. To ask a customer to move to a different part of the bank so you can offer credit life, then take them back to a savings desk to complete the transaction seems awkward and inefficient. I believe an exception should be made for the sale of personal insurance items, such as credit life, providing there is complete disclosure and obtaining the signature of the customer acknowledging that they read the disclosure. This would allow for the sale of personal insurance at a savings or loan desk. I agree, the sale of an annuity or any product with investment like characteristics should occur in a more distinct area of the bank so there is no confusion on the lack of FDIC insurance.

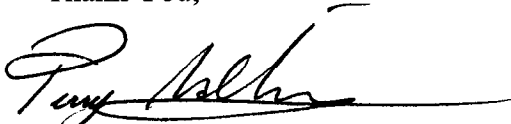
Member FDIC



Section 536.5 (b) Referral Fees

As with the sale of stocks and bonds, the Interagency guidelines discuss the one-time nominal fee for the referral of business. I believe the fee amount must include a monetary range. For example, is a \$1000.00 fee nominal, or how about \$10.00? This area is highly subjective and it is difficult to establish clear policies. Clear guidance would be welcome.

Thank You,

A handwritten signature in black ink, appearing to read "Perry Adkins", written over a horizontal line.

Perry Adkins  
Director of Compliance Services