

AL 95-2

Subject: Bank Purchases of Life Insurance

TO: Chief Executive Officers of all National Banks, OCC Department and
Division Heads, and all Examining Personnel

PURPOSE

This advisory communicates the OCC's concern that some vendors, individuals or firms who market life insurance programs, may be misleading banks.

BACKGROUND

The OCC is aware of several instances in which vendors have marketed bank-owned life insurance products and programs as "OCC Approved." Such representations are untrue and unauthorized. The agency has not approved bank-owned life insurance products or programs offered by any vendor. As a matter of policy, the OCC does not endorse the products or programs of specific vendors.

Each purchase or acquisition of a beneficial ownership of life insurance by a national bank must be evaluated on a case by case basis. Each individual transaction must comply with Banking Circular 249, Bank Purchases of Life Insurance (Rev.).

QUESTIONS

Questions concerning this advisory should be directed to the Credit and Management Policy Division of the Chief National Bank Examiner's Office at (202) 874-5170.

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Chief National Bank Examiner
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