



# NEWS RELEASE

Comptroller of the Currency  
Administrator of National Banks

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## OCC Issues Booklet on Insurance Activities

WASHINGTON-- The Office of the Comptroller of the Currency today issued a booklet that provides information to national banks and OCC examiners on the risks, controls and supervision of national bank insurance activities.

The booklet, which is part of the *Comptroller's Handbook*, reflects and incorporates the functional supervision provisions of the Gramm-Leach-Bliley Act (GLBA). The booklet describes the various insurance activities permissible for national banks and their subsidiaries and the organizational structures within which these activities may be conducted. It outlines the OCC's regulatory and supervisory responsibilities under GLBA and clearly defines how those responsibilities differ from those of other regulators under functional regulation.

The OCC's primary supervisory focus is assessing the material risks that insurance activities may pose to a national bank. If not properly managed, insurance activities can pose a threat to bank earnings, capital, liquidity and reputation. The booklet focuses on the transaction, compliance, strategic, reputation and credit risk and the effectiveness of the bank's oversight systems for monitoring and controlling the risks from insurance activities.

The booklet also contains extensive legal guidance. It addresses the role of state insurance regulators, who enforce state laws on insurance, including the licensing of agents or agencies, the financial stability of insurance companies, marketing and trade practices, the content of insurance policies and the setting of premium rates. The OCC sought and received comments from the National Association of Insurance Commissioners, which are reflected in the booklet.

The booklet cautions national banks regarding inappropriate insurance sales practices. For example, the sale of insurance on the basis of commissions to the seller rather than on the benefits of the policy would be inappropriate. Compensation to sales personnel is also addressed in the booklet.

The need for an orderly customer complaint process that allows for appropriate corrective measures to be taken is outlined in the [booklet](#) as well.

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The OCC charters, regulates and examines approximately 2,200 national banks and 52 federal branches of foreign banks in the U.S., accounting for more than 54 percent of the nation's banking assets. Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.