



NEWS RELEASE

Comptroller of the Currency
Administrator of National Banks

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OCC Expands Information Sharing Agreements with State Regulators

WASHINGTON -- The Office of the Comptroller of the Currency recognized the need for cooperation with state insurance agencies long before it was mandated by the Gramm-Leach-Bliley Act, First Senior Deputy Comptroller and Chief Counsel Julie L. Williams told a House panel today.

In 1996, Ms. Williams said, the OCC invited state insurance commissioners to the agency's offices to open a dialogue and to begin exploring ways to coordinate supervisory efforts. Out of that meeting, the OCC and the National Association of Insurance Commissioners (NAIC) jointly developed a model agreement to share information about insurance complaints involving national banks. To date, that model has provided the basis for agreements with 28 individual insurance regulators.

"These agreements enhance consumers' ability to remedy their complaints and facilitate banks' compliance with consumer safeguards by ensuring that the regulator with the appropriate jurisdiction to resolve the complaint will receive and process the complaint," Ms. Williams said in her appearance before the House Commerce Subcommittee on Finance and Hazardous Materials.

Complaints received from the states also will assist the OCC in focusing its examination resources with respect to national banks that sell insurance directly, Ms. Williams said.

"Information about consumer complaints will help examiners spot trends in insurance sales practices among national banks that sell insurance and in the banking industry in general and enable them to take appropriate supervisory steps if any particular bank generates complaints with more than normal frequency," she added.

Ms. Williams noted that the GLBA places most of the responsibility for insurance regulation on the states. Consequently, the OCC is working with the NAIC in an effort to develop a broader model agreement that will expand the types of information shared by the OCC and the state agencies.

Since passage of the GLBA, Ms. Williams said, the OCC has engaged in efforts to strengthen its relationships with state insurance regulators. For example, regional OCC representatives have

met with 43 state insurance regulators to identify implementation issues arising from the functional regulation system established by the new financial modernization law. In addition, senior OCC officials regularly attend NAIC quarterly meetings.

"These meetings have provided a valuable means for the OCC and state insurance regulators to exchange information about their respective regulatory priorities and supervisory approaches," she added.

Ms. Williams noted that she and other OCC officials will meet again with NAIC officials in August to discuss a number of issues, including the model supervisory information sharing agreement, privacy regulations, insurance complaint resolution procedures and continuing joint training and outreach opportunities.

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The OCC charters, regulates and examines approximately 2,400 national banks and 58 federal branches of foreign banks in the U.S., accounting for more than 57 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.