

## Press Releases

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April 19, 2000

### OTS 00-41 - OTS, NAIC Reach Historic Agreement to Share Financial, Operational Data

#### Office of Thrift Supervision

FOR RELEASE at 10:30 A.M. EDT

For further information

Wednesday, April 19, 2000

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OTS 00-41

202/906-6913

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### **OTS, NAIC Reach Historic Agreement to Share Financial, Operational Data**

WASHINGTON, D.C., April 19, 2000 - The Office of Thrift Supervision (OTS) and the National Association of Insurance Commissioners (NAIC) have completed a formal and historic model information sharing agreement, OTS announced today. The agreement incorporates non-public information on financial solvency, insurance activities and thrift activities, as well as consumer complaints, of the companies and thrift institutions NAIC members and OTS supervise.

Kentucky and Iowa became the first states to sign individual agreements with OTS based on the NAIC model. NAIC President and Kentucky Insurance Commissioner George Nichols III, Iowa Commissioner of Insurance Therese M. Vaughan and Scott Albinson, OTS managing director for supervision, signed the agreements for their respective organizations.

"These agreements are a very important advance in functional regulation for both OTS and the states," OTS Director Ellen Seidman said. "They enhance our ability to supervise the safety and soundness of thrifts owned by or affiliated with insurance companies and their compliance with consumer protection statutes and regulations. Likewise, they will have significant benefits for the Kentucky and Iowa insurance departments and those in other states. Of course, all confidential information shared will remain confidential among all parties to the agreements."

Nichols said, "These agreements are a significant, historic step between state and federal regulators to strengthen our relationship in the new world of financial services modernization. They are the next logical step in the ongoing efforts of state insurance regulators to implement functional regulation."

Commissioner Vaughan commented: "Iowa is proud to be one of the first states to sign this agreement, and we look forward to working with OTS. We believe it is important that state and federal regulators work together to encourage efficiency among systems. This agreement furthers our efforts in building on our relationships and protecting the interests of consumers on a local and national level. We are hopeful that our alliance will prompt other states to participate in this sharing of information."

The agreement is a framework, or model, that OTS expects to use in forging similar information-sharing agreements with all other state departments of insurance. NAIC approved the framework for OTS agreements at its spring national meeting in March. The OTS agreement is a logical step in the efforts of federal banking and state insurance regulators to implement functional regulation, the agency said.

Requests for confidential information between OTS and a state insurance department must be in writing, and access to the information is limited to those individuals and their agents having active involvement in the matter or proceeding described in the request. Under the agreement and subject to applicable law, regulation or practice, state insurance departments and OTS can share information, provided it is material to the "exercise of its lawful jurisdiction" over an insurance company or a thrift. The information must remain confidential between the state and OTS. In the event of a court order, legislative request or request from another local, state or federal agency, however, the receiving agency can either refer the court or other requester to the source of the information or turn it over with the permission of the source.

Either the state insurance department or OTS may decline to fill a request for information if doing so is prohibited by law or is inconsistent with the supervisory interest and obligations of the agency receiving the request.

OTS-NAIC Information Sharing Agreement - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2000-41a.pdf>

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The Office of Thrift Supervision (OTS), an office of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents visit the OTS web page at [www.ots.treas.gov](http://www.ots.treas.gov).