



BULLETIN

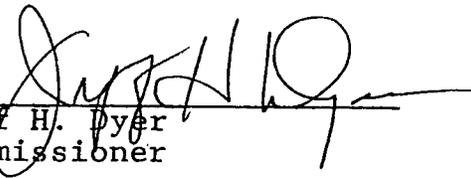
No. B-89-5

August 23, 1989

This BULLETIN supersedes and renders void BULLETIN No. B-89-2 concerning credit life insurance.

It is the Commissioner's position that all earnings generated by activities of banking organizations belong to the shareholders of the corporation and such earnings are subject to the administration of management and the Board of Directors. However, some exceptions should be considered. In this regard, this Department recognizes that income from the sale of credit life insurance often goes directly to the general income of the bank to be administered by the Board of Directors. The Department will take no exception to this activity.

When credit life income is earned and does not go into the general earnings of the bank, but instead goes to officials or employees of the bank or to companies owned by the bank holding company or officers, then this Department will find no objection to this activity so long as the full details of this income distribution are disclosed to the shareholders on at least an annual basis.



Jeff H. Dyer
Commissioner