

Press Releases

November 17, 2000

OTS 00-97 - OTS Grants Federal Thrift Charter to Independent Insurance Agents

Office of Thrift Supervision

FOR RELEASE at 8:30 A.M. EST

For further information

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OTS Grants Federal Thrift Charter to Independent Insurance Agents

WASHINGTON, D.C., Nov. 17, 2000 - The Independent Insurance Agents of America Inc. (IIAA), Alexandria, Va., and four companies that will share ownership received approval from the Office of Thrift Supervision (OTS) to organize a new federal thrift institution. The full-service thrift to be named InsurBanc, FSB will be located in Farmington, Conn. and operate initially in Connecticut, Massachusetts and New Jersey.

The IIAA is a nonprofit, national trade association of independent insurance agents and agencies throughout the U.S. It operates through a federal structure of state and local boards and acts as a central voice for its members. IIAA will endorse InsurBanc to its member agencies in Farmington and throughout the three states.

Peyton Street Independent Financial Services Corporation, Alexandria, becomes a unitary thrift holding company whose only business will be the new thrift. Another owner is W.R. Berkley Corporation, a financial services company engaged primarily in property casualty insurance. Two Berkley companies that will share ownership of the new thrift are Signet Star Holdings, Inc., and its subsidiary, Signet Star Reinsurance Company, both based in Florham Park, N.J.

InsurBanc is required by OTS to hold at least 10 percent core capital. The new thrift will offer an array of products, including residential first mortgage loans, home equity and installment loans, lines of credit and credit cards. It also will offer its independent agencies, as well as their business clients, working capital lines, business credit card programs and commercial real estate loans. Certificates of deposit and money market accounts will be among depository products available to customers.

InsurBanc will have one office in Farmington. Independent agents will market the bank's loan and deposit products, offer customers product information and application forms and make referrals to InsurBanc. Only bank employees, however, will conduct loan underwriting and grant all loan approvals. For their services, the independent agents will receive fees for successful referrals.

Among several conditions set forth by OTS, InsurBanc must clear with OTS any major change to its business plan, particularly with regard to cross-marketing of products by insurance agents. It is to set up an education program and develop a product and policy manual for agents; monitor agent compliance with referral policies; and establish a management program for assuring compliance with fair lending and consumer protection laws and regulations and for resolving consumer complaints.

Approval Order - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2000-97a.pdf>

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The Office of Thrift Supervision (OTS), a bureau 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.