

BANKS AS INSURANCE AGENTS

BY an amendment to the Federal Reserve Act national banks located in any place the population of which does not exceed 5,000 (last decennial census) may act as the agents for fire insurance, life insurance, or other insurance companies, under the following provisions:

- (a) The insurance company for which the bank acts must be authorized by state authorities to do business in the state in which the bank is located.
- (b) The bank's activities as insurance agent are restricted to the soliciting and selling of insurance and collection of premiums.
- (c) The bank may receive such lawful fees as are agreed upon between itself and the insurance company.
- (d) The bank must not assume or guarantee the payment of any payment on insurance policies.
- (e) The bank must not guarantee the truth of any statement made by the person who is insured.

In pursuance of the powers conferred upon him by law the Comptroller has prescribed a set of regulations for national banks which act as insurance agents, which are furnished upon request. No national bank can act as an insurance agent if the laws of the state in which it is located will not permit any bank to so act, nor unless it conducts its business under the rules that are prescribed by the Comptroller.