

**Agreement in Principle  
Between the  
[Name of State Insurance Department] and the  
[Name of State Banking Department]**

**Background**

In recent years, as a result of changes in both the banking and insurance industries, state chartered banks have become increasingly involved with the delivery and distribution of insurance products. The increasing involvement of state chartered banks in insurance activities and the applicability of certain state laws to these activities make clear that state insurance and banking regulators share a common interest in insurance activities conducted by state chartered banks.

The [Name of State Insurance Department] and the [Name of State Bank Department] recognize that open channels of communication and strong coordination are important for effective and streamlined regulation of the insurance activities of state chartered banks. To ensure that this common interest is addressed effectively and efficiently, the [Name of State Insurance Department] and [Name of State Banking Department] agree to communicate and cooperate in the manner described below.

**Definitions**

1. Agency or Agencies means the [Name of State Insurance Department] and [Name of State Banking Department], individually or collectively.
2. Enforcement Action means any action, including an investigation, to enforce applicable banking or insurance laws or regulations.
3. [Name of State Insurance Department] means the relevant state insurance regulator.
4. [Name of State Banking Department] means the relevant chartering authority and supervisory agency for state chartered financial institutions and supervised lenders in that state.
5. Originating Authority means the Agency that originally compiles or drafts an item of Supervisory Information.
6. Providing Party means the Agency that provides Supervisory Information to the Receiving Party.
7. Receiving Party means the Agency that receives Supervisory Information from the Providing Party.
8. Supervisory Information means information and reports collected, compiled or drafted in the course of supervising and examining state chartered financial institutions and supervised lenders, including but not necessarily limited to, privileged or confidential information and reports of examination and information relating to applications, consumer complaints, enforcement actions, or copies thereof.

**Information Sharing**

1. To the extent required or permitted by applicable law, regulation or practice, the [Name of State Insurance State Department] and [Name of State Banking Department] agree to share Supervisory Information received or gathered by each Agency regarding the insurance activities of state-chartered banks or supervised lenders. Requests for Supervisory Information shall be in writing and shall be reasonably specific as to the documents requested. Neither agency intends that a separate request be filed for each document. Each agency intends that the requirement for a specific description is to indicate the time period and general subject matter, so as to aid document retrieval. An Agency that receives a request for Supervisory Information shall respond as soon as practicable upon receipt of the request.
2. The requested Supervisory Information must directly relate to matters within the jurisdiction of the Requesting Agency and must be for a legitimate regulatory or supervisory purpose.
3. The [Name of State Banking Department] shall prepare periodic reports identifying unresolved exceptions relating to insurance (e.g., credit, life, accident and health insurance) noted during the examination of financial institutions regulated by the [Name of the State Banking Department] and shall submit this report to the [State Insurance Department] for future supervisory guidance and recommendations.
4. The Agencies may exchange other information relating to the insurance activities of state chartered financial institutions and supervised lenders regulated by the [Name of the State

Banking Department] such as regulatory and policy initiatives and educational efforts pertaining to insurance sales by state chartered financial institutions, in order to ensure general awareness of the respective positions taken by the Agencies.

5. The Agreement shall in no way limit the discretion of the [Name of State Insurance Department] or [Name of State Banking Department] to deny future requests for Supervisory Information, in whole or in part, for any reason consistent with the Agency's own supervisory interests and obligations.

### **Confidential Information**

1. Privileged or confidential Supervisory Information shared among the Agencies shall remain confidential in accordance with the applicable federal and state banking laws, state insurance laws, federal freedom of information laws and/or state public record laws. Such confidential Supervisory Information remains the property of the Originating Authority or Providing Party and shall not be disclosed by the Receiving Party to any other individual or entity without the prior written permission of the Originating Authority and/or Providing Party, as applicable.
2. The Receiving Party agrees to protect the confidentiality of the Supervisory Information in accordance with this Agreement and applicable laws and regulations.
3. In the event of a subpoena, order or other process which requires the recipient of confidential Supervisory Information to deliver, testify about, or otherwise disclose such confidential Supervisory Information, the Receiving Party shall: (i) immediately notify the Providing Party that production is being sought, and afford the Providing Party the opportunity to take whatever action it deems appropriate to protect the confidential and/or privileged nature of the Supervisory Information; (ii) notify the party seeking production of the Supervisory Information that it belongs to the Providing Party; (iii) use its best efforts to resist production of the Supervisory Information pending written permission of the Providing Party; and (iv) consent to any application by the Providing Party to use its own resources to intervene in any action for the purpose of asserting and preserving any privilege(s) and/or claims of confidentiality with respect to the Supervisory Information.
4. It is expressly agreed and understood that in the event any court of competent jurisdiction issues an order to compel the Receiving Party to produce the Supervisory Information covered by this Agreement, the Receiving Party may comply with such order. The Receiving Party agrees to promptly advise the Providing Party.
5. No third party compulsory disclosure of Supervisory Information shall be considered a waiver of privilege or claim of confidentiality, unless such is found by a judicial authority of competent jurisdiction.

### **Maintaining Existing Statutory Authority and Obligations**

1. Each party to this Agreement retains all rights and obligations under existing statutes and regulations, and this Agreement will not restrict the supervisory prerogatives of either Agency.
2. Nothing in this Agreement restricts, enlarges, or otherwise modifies the respective jurisdictions of the Agencies. Neither this Agreement, nor its termination, shall affect the rights and obligations of the parties under applicable statutes or be deemed an interpretation of such statutes or regulations.

### **Complaints and Consumer Inquiries**

1. The [Name of State Banking Department] shall forward to the [Name of State Insurance Department] any complaint that it receives relating to insurance activities of a state chartered financial institution, or any affiliate thereof, including supervised lenders, agencies or producers known to be affiliated with a financial institution.
2. The [Name of State Insurance Department] will provide copies of such complaints it receives against such institutions and including related correspondence to the [Name of State Banking Department] and will advise the [Name of State Banking Department] of the ultimate resolution of the complaint.

### **Insurance Code Violations**

1. Responsibility for enforcing compliance with the Insurance Code by financial institutions and supervised lenders rests with the [Name of State Insurance Department].

2. In the event that a state chartered financial institution or supervised lender, violates provision(s) of the Insurance Code, the [Name of State Insurance Department] will inform the [Name of State Banking Department] regarding the nature and substance of the violation.

### **Banking Code Violations**

1. Responsibility for enforcing state bank statutes and regulations applicable to state chartered financial institutions and supervised lenders, arising out of the insurance activities of financial institutions and supervised lenders, will rest with the [Name of State Banking Department].
2. In the event that a state chartered financial institution or supervised lender, violates provision(s) of the state banking statute, the [Name of State Banking Department] will inform the [Name of State Insurance Department] regarding the nature and substance of the violation.

### **Enforcement Actions**

1. As soon as possible, the [Name of State Insurance Department] and the [Name of State Banking Department] shall notify one another of any enforcement action taken against a state-chartered bank or supervised lender. Whenever practicable, such notification shall be given in advance of any enforcement action.
2. Enforcement actions against state-chartered banks and supervised lenders to address regulatory or statutory violations, whenever practicable, shall be coordinated by the [Name of State Insurance Department] and [Name of State Banking Department].
3. Notwithstanding the previous section, the [Name of State Insurance Department] and [Name of State Banking Department] may, independent of each other, take any enforcement action against a state chartered bank or supervised lender subject to statutory or regulatory violations within their supervisory jurisdiction and authority.

### **Term and Termination**

1. This Agreement becomes effective as of the date signed by the Agencies and continues in effect until terminated by either Agency.
2. An Agency may withdraw and revoke its participation in this Agreement by providing written notice to the other party; provided, however, that such termination shall not affect the rights and obligations of either party with respect to confidential Supervisory Information shared pursuant to this Agreement.
3. Neither this Agreement, nor its termination, shall affect the rights and obligations of the parties under applicable statutes or regulations, or be deemed an interpretation of such statutes or regulations.

### **Miscellaneous**

1. **Authority to Enter Agreement**  
Each of the parties hereto gives express assurance that under applicable laws, regulations, and judicial rulings, it has the authority to comply fully with the use and disclosure limitations and conditions of the Agreement.
2. **Entire Agreement**  
This Agreement supersedes all other agreements or representations either oral or written between the parties regarding the exchange of Supervisory Information. No waiver or modification of provisions in this Agreement shall be binding unless subsequently made in writing and signed by duly authorized representatives of the parties hereto.

### **BY**

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[Name]  
[Insurance Commissioner]

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[Name]  
[State Bank Supervisor]

Date:

Date: