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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

March 23, 2000

**Corporate Decision #2000-04**  
**April 2000**

Ms. Emily E. Haddad  
Senior Counsel  
Law Department  
N9305-170 MAC, Norwest Center  
Sixth Street & Marquette Avenue  
Minneapolis, Minnesota 55479

Dear Ms. Haddad:

Re: Applications by Norwest Bank South Dakota, N.A., Sioux Falls, SD; Norwest Bank Iowa, N.A., Des Moines, IA; and Wells Fargo Bank, N.A., San Francisco, CA, to expand the activities of their operating subsidiaries  
Application Control Numbers: 2000-ML-08-003, 004 & 005

This is in response to your operating subsidiary application, dated January 18, 2000, filed on behalf of Norwest Bank South Dakota, N.A., Sioux Falls, SD; Norwest Bank Iowa, N.A., Des Moines, IA; and Wells Fargo Bank, N.A., San Francisco, CA (the "Banks"), to expand the activities of the Banks' respective operating subsidiaries: Great Plains Insurance Company, Intrawest Insurance Company, and Golden Pacific Insurance Company (the "Subsidiaries"). The Subsidiaries' proposed expanded activities include reinsuring credit life, accident and health insurance sold to customers that borrow from the Banks' affiliates.<sup>1</sup> Based on our review of the available information, the Banks' proposed expanded activities for the Subsidiaries are approved.

National banks have long been recognized to have broad authority to underwrite, reinsure, and sell as agent, credit-related insurance products. See Corporate Decision 97-92 (October 17, 1997) (the *Bank of America* letter) (authorizing Bank of America's application to establish an operating subsidiary to underwrite and reinsure credit disability and involuntary unemployment insurance sold to customers that borrow from the bank's lending affiliates); and Corporate Decision 98-28 (May 11, 1998) (the *Fleet* letter) (authorizing Fleet National Bank's application to establish operating subsidiaries to underwrite and reinsure credit life insurance, credit

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<sup>1</sup> The Subsidiaries' present activities include reinsuring credit life, accident and health insurance in connection with the loans of each Subsidiary's respective parent Bank and the Bank's subsidiaries.

disability insurance, and involuntary unemployment insurance sold to customers that borrow from the bank and its lending subsidiaries). As discussed in the *Bank of America* letter and the *Fleet* letter, credit-related insurance products assist bank customers in meeting loan obligations when unfortunate circumstances, such as death, disability or unemployment, occur. Credit-related insurance products also enhance a lender's ability to receive repayment for its loans. By underwriting and reinsuring credit-related insurance, banks generate new sources of income for credit risks banks assume when lending to customers. Banks' involvement in underwriting and reinsuring credit-related insurance products may also promote competition and expand customer choices. The OCC has therefore found credit-related insurance products to be an integral part of credit transactions and thus part of, or incidental to, a bank's lending authority and the business of banking.<sup>2</sup>

Based on the facts as described, the proposed activities are permissible for a national bank and its operating subsidiaries. In addition, the OCC finds that the proposal is not inconsistent with safe and sound banking practices or OCC policies and does not endanger the safety and soundness of the Banks. Accordingly the applications are approved. This approval is granted based on a thorough review of all information available, including the representations and commitments made in the applications and by the Banks' representatives.

In the event of questions, please contact Senior Attorney Asa Chamberlayne at (202) 874-5210 or Licensing Manager Richard T. Erb at 874-5060 or by email: [largebanks@occ.treas.gov](mailto:largebanks@occ.treas.gov).

Sincerely,

~~-signed-~~

Julie L. Williams  
First Senior Deputy Comptroller  
and Chief Counsel

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<sup>2</sup> Section 302 of the Gramm-Leach-Bliley Act of 1999, P.L. 106-102 (Nov. 12, 1999), does not limit these reinsurance activities of national banks and their operating subsidiaries. To whatever extent reinsurance could be within the scope of section 302(a), (see, e.g., section 302(d)), it is an "authorized product" under section 302(b) of the Act.