

(717) 787-1471

February 12, 1998

RE: Sale of Annuities by Dual Employees Operating in National Banks  
Located in Pennsylvania

Dear \*\*\*\*\*

This correspondence is in response to your request for the position of the Department of Banking (the "Department") on the sale of annuities by dual employees operating out of national banks located in Pennsylvania. Although the Department does not regulate national banks, which are regulated by the Office of the Comptroller of the Currency ("OCC"), the Department provides you with the information stated below.

Please be advised that under the provisions of Act 40 of 1997, the Pennsylvania Insurance Department is authorized to issue licenses to financial institutions to directly sell insurance and annuities in Pennsylvania. Act 40 of 1997, § 647(A). A copy of Act 40 of 1997 is attached for your review. The sale of annuities or insurance by financial institutions, and agents and brokers thereof, must take place in a location that is distinct from the area where deposits are taken and loan applications are discussed and accepted. Act 40 of 1997, § 647(A). Act 40 of 1997 provides that compliance with the requirements set forth in the Interagency Statement on Retail Sales of Nondeposit Investment Products (the "Statement") issued February 15, 1994, by the Board of Governors of the Federal Reserve System, The Federal Deposit Insurance Corporation, The Office of the Comptroller of the Currency, and the Office of Thrift Supervision will satisfy certain requirements of Act 40 of 1997. Act 40 of 1997, § 647(B). A copy of the Statement is attached for your reference. In addition, you should contact the Pennsylvania Insurance Department and the OCC in order to ascertain other possible restrictions on the sale of insurance by dual employees on the premises of national banks in Pennsylvania. Finally, the Department does not state a position except for the information provided above regarding such possible national bank activity at this time.

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The Department's analysis is based upon the facts and conditions as stated in this letter. Any change in the facts could result in a reversal of the Department's position. This letter states the Department's position regarding the issues discussed herein and may not be relied upon or construed as constituting legal advice.

Please contact me if you have any further questions regarding this matter.

Sincerely,

Laurie S. Kennedy  
Deputy Chief Counsel

Act 40 of 1997  
Interagency Statement on Retail Sales of Nondeposit Investment Products