

SUPPLEMENT TO APPLICATION FOR INSURANCE LICENSE

**PROCEDURE FOR AUTHORITY
OF BANKS TO SELL INSURANCE**

The United States Supreme Court's 1996 decision in *Barnett Bank of Marion County, N.A. V. Nelson* provided that the National Banking Act permits the sale of insurance by National Banks located and doing business in any place the population of which does not exceed 5,000 inhabitants. This supplement to the application for an Oklahoma insurance license implements that decision. The application (form R3) should not be construed to conflict with Section 92 of the National Banking Act.

Agents are not allowed, in connection with the insurance activities of such entities, to maintain a physical office outside the geographical boundary of the community in which the bank or its subsidiary or affiliate is located.

All solicitation and negotiation of insurance must be conducted by licensed agents. A bank and its licensed employees must hold the appropriate license for each line of insurance offered by the bank. Banks may offer only insurance products of insurance companies authorized to do business in Oklahoma.

The tying of banking and insurance products are not allowed.

Fee splitting or commission sharing with non-licensed persons or entities, including non-licensed banks or their non-licensed subsidiaries or affiliates, is prohibited.

Any application for an Oklahoma Insurance License by a national bank or state chartered bank must include the following:

- A copy of its charter, articles or certificate of association or incorporation and bylaws and other organizational documents;
- A list of all personnel, including at least one bank officer, who will conduct the business of insurance under the bank's license;
- A sworn statement by an officer of the bank identifying the location of each bank branch, office, LPO and DPO, attesting that the bank is located in a place with a population not exceeding 5,000 as measured by the last decennial census, and setting out the insurance activities to be carried on at the bank situated in a place with a population not exceeding 5,000;
- A board resolution authorizing the applying officer to make application for a corporate agent license on behalf of the bank and directing all bank employees who will be engaged in insurance to apply for an agent license;
- A chart setting out the entire corporate ownership structure of the applicant bank and its affiliates with clear identification of the position of the applicant bank in that structure.

I, _____, officer of _____(bank) being first duly sworn, state that I have read the within and foregoing procedures of authority of banks to sell insurance in the State of Oklahoma.

STATE OF _____

Signature of Officer

COUNTY OF _____

Date

My Commission Expires:

Notary Public