

Press Releases

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OTS 98-51 - Allstate, Aid Association for Lutherans Approved by OTS for Thrift Chapters

Office of Thrift Supervision

NEWS

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For further information

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Allstate, Aid Association for Lutherans Approved by OTS for Thrift Charters

WASHINGTON, D.C., July 22, 1998 - Allstate Corporation and Aid Association for Lutherans (AAL) have each received a federal thrift charter. Both companies plan to use their charters to set up trust operations. Allstate also will use its thrift to handle certain cash management services for Allstate.

Allstate Corporation, parent of Allstate Insurance Company, Northbrook, Ill, received approval to establish Allstate Federal Savings Bank, also located in Northbrook. Aid Association for Lutherans, a fraternal benefit organization that provides insurance products for its members, received approval to establish AAL Trust Company, FSB, in Appleton, Wis., the home of the parent corporation.

In approving the applications, the Office of Thrift Supervision (OTS), imposed a number of conditions. AAL Trust Company, FSB, must not limit its trust services to one religious group, but must conduct an ongoing advertising and marketing program to ensure that its services are available without discrimination on the basis of race, color, religion, sex or national origin.

Both institutions must confine their operations to those listed in their business plan, report quarterly to OTS on any changes in their plan, and apply to OTS if they wish to engage in other types of business activities in the future. Each thrift has to submit quarterly activity reports to OTS concerning the number and type of trust accounts and their total value. OTS also imposed a number of other standard conditions governing the operations of similar new thrifts.

The institutions required to make clear to customers the difference between insured and non-insured products, adhering to the policies and statements formulated on an interagency basis by the federal banking regulators.

In addition, each thrift's Year 2000 project management program must conform to the Year 2000 guidance issued by OTS and the Federal Financial Institutions Examination Council (FFIEC). This OTS policy applies to nearly all types of application approvals.

Allstate filed its application on Jan. 26, 1998. Aid Association for Lutherans filed its application with OTS on Dec. 30, 1997.

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The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS' mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents call PubliFax at 202/906-5660, or visit the OTS web page at www.ots.treas.gov.