

Press Releases

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OTS 99-32 - OTS Grants Federal Thrift Charter to N.J. Manufacturers Insurance

Office of Thrift Supervision

News Release

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For further information

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OTS Grants Federal Thrift Charter to N.J. Manufacturers Insurance

WASHINGTON, D.C., May 25, 1999 - New Jersey Manufacturers Insurance Company has received approval from the Office of Thrift Supervision (OTS) to start up a new federal savings bank, N.J.M. Bank, that will offer a full line of products and services.

N.J.M Bank will market its products and services to the insurance company's existing customer base, as well as the general public, from the company's West Trenton, N.J., office and a nearby telephone call center.

New Jersey Manufacturers Insurance Company, which becomes a unitary thrift holding company, operates principally in New Jersey and has approximately 325,000 policyholders. It is the state's largest workers' compensation carrier and one of its four largest automobile and homeowners insurers. The firm's consumer policies are available only to individuals whose employers are among the 16,250 members of the New Jersey Business and Industry Association, to New Jersey state employees and to persons previously or currently insured under a spouse's or parent's policy.

OTS included a number of conditions in its approval of the charter. Any changes to the thrift's business plan, particularly those pertaining to the cross-marketing of deposit and non-deposit products, require OTS review. N.J.M. Bank also must submit for OTS review its interest rate risk management policy; its lending policy, including underwriting guidelines for each credit product offered during the three years covered by the business plan; and a compliance management plan that addresses the training and oversight of all parties who offer or handle the thrift's products. In addition, the holding company, thrift and affiliates must comply with anti-tying statutes.

At least 40 percent of the savings bank's directors are to be members who are not officers or employees of the holding company or affiliates, and at least one member must be independent of the holding company, affiliates and the thrift. N.J.M. Bank also has to comply with interagency guidelines on Year 2000 readiness.

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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 <http://www.ots.treas.gov>.