

Press Releases

February 17, 2000

OTS 00-19 - OTS Grants Charter to New York Life

Office of Thrift Supervision

FOR RELEASE at 2:00 P.M. EST

For further information

Thursday, February 17, 2000

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OTS 00-19

202/906-6677

OTS Grants Charter to New York Life

WASHINGTON, DC, Feb. 17, 2000 - The Office of Thrift Supervision (OTS) granted a federal thrift charter to New York Life Insurance Company (NYLIC) to open a savings bank to be known as New York Life Trust Co. It will operate as a special purpose financial institution providing trust and trust related services.

New York Life is one of the nation's oldest and largest insurance companies and is headquartered in New York City. The company offers a range of insurance and investment products and services through 7,000 employees and 10,000 marketing agents nationwide. The new thrift institution will offer a product line of irrevocable life insurance trusts (ILITS), discretionary and non-discretionary personal trust accounts and IRAs. However, in the first three years of operation, it will focus its trust activities primarily on IRAs and ILITS.

In approving the charter, OTS requires the thrift to obtain OTS approval of any major change to its business plan, including those pertaining to cross-marketing of products.

At least 40 percent of the thrift's board of directors must be individuals who are not officers or employees of the holding company or affiliates. The thrift must comply with anti-tying restrictions and must develop written procedures to ensure compliance.

It also must submit: quarterly activity reports informing OTS of the number and type of trust accounts serviced, the total asset value of these accounts and the minutes of meetings of the savings bank's trust and investment committee; prior to opening the savings bank for business, procedures for how the savings bank will avoid confusion regarding the status of deposit insurance with respect to trust accounts; and a copy of the customer disclosure material stating that trust funds may be invested in affiliated insurance products or affiliated mutual funds.

The thrift also is required to develop, prior to engaging in any fiduciary activity, an oversight program, consisting of a comprehensive audit program, a compliance management program and a risk management program.

Approval Order New York Life - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2000-19a.pdf>

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The Office of Thrift Supervision (OTS), an office of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's 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 visit the OTS web page at www.ots.treas.gov.