

April 6, 2005

“A”

DCU Interpretive Letter: I-05-03 redacted

Subject: Can a credit union act as an insurance agent or broker to sell insurance to its members?

Dear “A”:

You have requested our interpretation on whether it is permissible for “B” to enter into an arrangement with an insurance vendor to offer auto, RV, homeowners, accidental death and dismemberment, and credit life and disability insurance to your members.

The Washington State Credit Union Act gives “B” the ability to act as an insurance agent or broker for the sale to its members of group life, accident, health, credit life and disability, and other insurance that state-chartered financial institutions may sell. RCW 31.12.402(16).

Your conclusion that you must comply with state insurance rules is correct. Under the Washington Insurance Code, you must be licensed in order to buy, sell, order, or take applications for insurance for other people. RCW 48.17.060.

For further questions about insurance licensing requirements, please contact Georgia Cooper, the Licensing Supervisor at the Office of the Insurance Commissioner. Her number is (360) 725-7145.

Sincerely,

Linda K. Jekel  
Director of Credit Unions

cc: Georgia Cooper, Office of the Insurance Commissioner