



State of Washington

**DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CREDIT UNIONS**

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October 28, 2011

”A”

RE: Board Member Life Insurance

DCU Interpretive Letter I-11-04

Delivered by Email

Dear ”A”:

Issue

You inquired if a Washington state chartered credit union (WSCCU) may provide life insurance to its board members, which is available to the credit union’s employees generally.

Analysis

The Washington State Credit Union Act does not prohibit a credit union’s directors or committee members from receiving insurance coverage or incidental services, available to the credit union’s employees generally. RCW 31.12.365 (1)(b)

Conclusion

Therefore, we do not object to a WSCCU purchasing life insurance for its board members or committee members with the following conditions:

1. The insurance is reasonable in coverage and amount,
2. The insurance is the same as offered to its employees, and
3. The insurance ceases immediately upon the insured person's leaving office, except for any residual claims pending at the time the insured person leaves office.

Of course, if the insured person continues as an employee of the credit union, he or she may still be eligible as other employees on such insurance. If you have further questions please contact Linda Jekel at (360) 902-8778.

Sincerely,

/s/

Linda Jekel
Director of Credit Unions