

June 15, 1992

Lisa Brennan  
Key Account Administrator  
Marketing Department  
American Family Life  
Assurance Company of Columbus  
1932 Wynnton Road, Second Floor  
Columbus, GA 31999-0001

Re: Insurance Group Purchasing (Your Letter of June 2, 1992)

Dear Ms. Brennan:

You requested NCUA guidelines regarding insurance group purchasing programs by federal credit unions ("FCUs") and insurance companies. Pursuant to Part 721 of the NCUA Rules and Regulations (12 C.F.R. Part 721), an FCU may make insurance plans involving an outside vendor, such as an insurance company, available to its members and may perform administrative functions on behalf of the vendor. The enclosed letters provide more detail regarding the NCUA rules. See Letter from me to Mr. Jack F. Byno, American Airlines Employees FCU, Re: Insurance through a Third Party Vendor, dated April 10, 1992; Letter from me to Mr. Joseph G. Riegert, Hughes FCU, Re: FCU Sale of Mechanical Breakdown Insurance, dated October 31, 1991; and Letter from James J. Engel, NCUA Deputy General Counsel, to Ms. Mary Ann Clancy, Massachusetts Credit Union Association, Inc., Re: Annuity Programs, dated August 20, 1991. If you have any questions on the enclosures, please contact Martin Conrey, Staff Attorney, at 202/682-9630.

Sincerely,

Hattie M. Ulan  
Associate General Counsel

Enclosures

GC/MEC:sg **SSIC 3501**  
**92-0619**