

May 9, 1997

Ken Bradford, Board Member
Sylacauga Employees Federal Credit Union
901 North Broadway
Sylacauga, Alabama 35150

Re: Health Insurance for Board and Committee Members
(Your May 6, 1997, Letter)

Dear Mr. Bradford:

You have asked whether your federal credit union (FCU) may provide health insurance for its board and committee members pursuant to Section 111(c) of the Federal Credit Union Act. The answer is yes. Such health insurance must be reasonable in coverage and amount and terminate immediately upon the insured individual's leaving office, excluding any pending claims. 12 C.F.R. §701.33(b)(2)(ii).

For additional explanation, I am enclosing copies of two previous legal opinion letters specifically addressing the issue of health insurance for FCU officials. Letter from Richard S. Schulman to Thomas J. Powers, dated September 30, 1994; Letter from Robert M. Fenner to Todd A. Citron, dated May 10, 1994 (without referenced enclosures). If after reviewing these letters you have further questions or need assistance regarding the establishment and maintenance of a health care plan for your board and committee members, we suggest you contact the Region III Office at 770-396-4042.

Sincerely,

Sheila A. Albin
Associate General Counsel

GC/NSW:bhs
SSIC 3600
97-0507

Enclosures

cc: Steven J. Dennison, Region III (with enclosures)