

SUPPORTING STATEMENT
Consumer Protections for Depository Institution Sales of Insurance
OMB Control No. 1550-0106

A. JUSTIFICATION

1. Circumstances and Need

These information collections are required under section 305 of the Gramm-Leach-Bliley Act (GLB Act), Public Law No. 106-102. Section 305 of the GLB Act required the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of Thrift Supervision (collectively, the Agencies) to prescribe joint consumer protection regulations. OTS's regulations are found at 12 CFR part 536. The regulations apply to retail sales practices, solicitations, advertising, and offers of any insurance product by a depository institution or by other persons performing these activities at an office of the institution or on behalf of the institution. Section 305 requires those performing such activities to disclose certain information to consumers (for instance, that insurance products and annuities are not FDIC-insured) and to obtain consumers' acknowledgements.

2. Use of Information Collected

Consumers will use the disclosures to understand the risks of buying insurance products or annuities and to understand that the FDIC does not insure such products. Institutions and others will use the consumers' acknowledgment to verify that consumers received the disclosures.

3. Use of Technology to Reduce Burden

Institutions are not prohibited from using any technology that is reasonable and appropriate for its circumstances, so long as the method is consistent with facilitating consumer receipt and response. 12 CFR 536.40(c) provides specific disclosure rules for the timing and method for electronic and telephone disclosures. Where a consumer agrees, an institution may provide the written disclosures through electronic media if they are provided in a format that the consumer may retain or obtain later, for example, by printing or storing electronically, such as by downloading.

4. Efforts to Identify Duplication

The collections of information are unique and cover the institution's particular circumstances. No duplication with other regulatory requirements exists. The disclosure and acknowledgment requirements do, however, contain some overlap with prior guidance issued by the Agencies in the Interagency Statement on Retail Sales of Nondeposit Investment Products (February 15, 1994).

5. Minimizing the Burden on Small Businesses

This collection does not differentiate the disclosure requirements based on a savings association's size because the requirements apply to all savings associations that engage in insurance product and annuity transactions.

6. Consequences of Less Frequent Collection

The information collection is conducted only for retail sales practices, solicitations, advertising, and offers of any insurance product by a savings association or by other persons performing these activities at an office of the institution or on behalf of the institution. Less frequent notice would impair the effectiveness of the program.

7. Special Circumstances Requiring Data Collection Inconsistent with 5 CFR Part 1320

This information collection will be conducted in a manner that is consistent with the guidelines set forth in 5 CFR § 1320.

8. Consultation with Persons Outside OTS

Notice of intent to renew this information collection was published in the *Federal Register* on May 25, 2010 (75 FR 29386). No comments were received.

9. Payments of Gifts

No payments or gifts will be made in connection with this information collection.

10. Confidentiality

Not applicable.

11. Information of a Sensitive Nature

No questions of a personally sensitive nature are required by this information collection.

12. Estimate of Annual Hour Burden

Estimated number of respondents:	765
Estimated total responses:	629,660
Estimated time per response:	1.5 minutes
Estimated total annual burden hours:	15,742

The estimated number of respondents is based on data for all OTS-regulated institutions that filed a Thrift Financial Report (TFR) as of December 31, 2009. The estimated total number of responses is based on 1% of the total deposit accounts on the TFRs as of December 31, 2009. The time spent by a savings association in making these disclosures will vary based on

institution size and the scope and volume of its insurance product and annuity activities. Therefore, the estimated annual burden per institution may vary substantially from institution to institution.

The cost of complying is estimated to be \$413,225. This estimate is based on the following calculations:

- 95% Support time @ \$25 per hour. $15,742 \times .95 = 14,955$ hours \times \$25 = \$373,875
- 5% Professional time @ \$50 per hour. $15,742 \times .05 = 787$ hours \times \$50 = \$ 39,350

13. Estimate of Annual Cost Burden

Savings associations should be able to use readily available equipment to comply with the information collections. However, some software costs likely will be incurred to provide the disclosures and acknowledgments. Savings associations may add these materials to existing institution documents, which tend to be dynamic in nature and revised on a continuing basis. Therefore, the cost would be a part of usual and customary business practice.

14. Estimates of Annualized Cost to Government

Not applicable. Compliance with this regulation will be verified as part of the existing examination process.

15. Reason for Change in Burden

The estimated burden for this information collection has decrease by 5,304 hours. This is due to a decrease in the number of respondents from 845 to 765, and a decrease in the number of responses from 841,826 to 629,660 (based on 1% of the number of deposit accounts).

16. Publication

The information will not be published.

17. Expiration Date

We are not seeking approval to not display the expiration date for OMB approval of the information collection.

18. Exceptions

There are no exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.