

Supporting Statement
Consumer Protections for Depository Institution Sales of Insurance
12 CFR Part 14
OMB Control No. 1557-0220

A. Justification.

1. *Circumstances that make collection necessary:*

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 requires the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System, and Federal Deposit Insurance Corporation (collectively, the Agencies) to prescribe joint consumer protection regulations that 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 (other covered persons). Section 305 also requires those performing such activities to disclose certain information to consumers (e.g., that insurance products and annuities are not FDIC-insured).

This information collection requires national banks, Federal savings associations, and other covered persons, as defined in 12 CFR 14.20(f) and 136.20, involved in insurance sales to make two separate disclosures to consumers. Under §§ 14.40 and 12 CFR 136.40, a national bank, Federal savings association, or other covered person must prepare and provide orally and in writing: (1) certain insurance disclosures to consumers before the completion of the initial sale of an insurance product or annuity to a consumer and (2) certain credit disclosures at the time of application for the extension of credit (if insurance products or annuities are sold, solicited, advertised, or offered in connection with an extension of credit).

2. *Use of the information:*

Consumers use the disclosures to understand the risks associated with insurance products and annuities and to understand that they are not required to purchase, and may refrain from purchasing, certain insurance products or annuities in order to qualify for an extension of credit.

3. *Consideration of the use of improved information technology:*

National banks, Federal savings associations, and other covered persons may use any technology that is reasonable and appropriate for its circumstances so long as the method is consistent with 12 CFR 14 and 136 and facilitates consumer receipt and response.

4. *Efforts to identify duplication:*

These disclosures are unique and cover the particular circumstances of the national bank,

Federal savings association, or other covered person. No duplication with other regulatory requirements exists.

5. *Methods used to minimize burden if the collection has a significant impact on a substantial number of small entities:*

Not applicable.

6. *Consequences to the Federal program if the collection were conducted less frequently:*

The frequency of disclosure is required by the GLB Act. Less frequent collection would violate the statute.

7. *Special circumstances necessitating collection inconsistent with 5 CFR part 1320:*

Not applicable.

8. *Efforts to consult with persons outside the agency:*

On February 29, 2016, the OCC published a *Federal Register* notice for 60 days of comment concerning this collection. 81 FR 9584. No comments were received.

9. *Payment to respondents:*

Not applicable. There is no payment to respondents.

10. *Any assurance of confidentiality:*

The information will be kept private to the extent permitted by law.

11. *Justification for questions of a sensitive nature:*

There are no questions of a sensitive nature.

12. *Burden estimate:*

Recordkeeping Burden—Reviewing and Updating Disclosure Materials:

663 respondents @ 1 response	=	663 responses
663 responses @ 1 burden hours	=	663 burden hours

Disclosure Burden:

663 respondents @ 1 response	=	663 responses
663 responses @ 4 burden hours	=	2,652 burden hours

TOTAL BURDEN:

663 respondents @ 1 response = 663 responses
663 responses @ 5 burden hours = 3,315 burden hours

The OCC estimates the cost of the hour burden to respondents as follows:

3,315 hours x \$101 = \$334,815

To estimate average hourly wages we reviewed data from May 2015 for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for depository credit intermediation (NAICS 522100). To estimate compensation costs associated with the rule, we use \$101 per hour, which is based on the average of the 90th percentile for seven occupations adjusted for inflation (2 percent), plus an additional 30 percent to cover private sector benefits. Thirty percent represents the average private sector costs of employee benefits.

13. Estimate of annualized cost to respondents (capital start-up and operation/maintenance):

Banks, Federal savings associations, and other covered persons use readily available equipment to comply with these information collections.

14. Estimate of annualized costs to the government:

None.

15. Change in burden:

Former Burden: 4,060 burden hours
New Burden: 3,315 burden hours
Difference: -745 burden hours

The reduction in burden is due to the reduction in the number of regulated entities.

16. Information regarding collections whose results are planned to be published for statistical use:

The OCC has no plans to publish the information for statistical use.

17. Display of expiration date:

None.

18. Exceptions to certification statement:

None.

B. Collections of information employing statistical methods.

Not applicable.