



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-13-2005
February 28, 2005

NON-PUBLIC SUPERVISORY INFORMATION

Interagency Advisory on Confidentiality of CAMELS Ratings and Other Non-Public Supervisory Information

Summary: The federal banking and thrift regulatory agencies are jointly issuing the attached advisory to remind institutions that, except in very limited circumstances, they are prohibited by law from disclosing CAMELS ratings and other non-public supervisory information to insurers and to other non-related third parties without permission from the appropriate federal regulator.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
Chief Financial Officer

Related Topics:

Section 309.6 of the FDIC's Rules and Regulations

Attachment:

"Interagency Advisory on the Confidentiality of the Supervisory Rating and Other Nonpublic Supervisory Information"

Contact:

Sean Forbush, Division of Supervision and Consumer Protection, sforbush@fdic.gov, 202-898-8506; or Pamela LeCren, Legal Division, plecra@fdic.gov, 202-898-3730

Note:

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at www.fdic.gov/news/news/financial/2005/index.html.

To receive FILs electronically, please visit <http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, NW, Room 100, Washington, DC 20434 (1-877-275-3342 or 202-416-6940).

Highlights:

- Some insurers have requested that banks and savings associations disclose their CAMELS ratings during the underwriting process when the institutions seek directors and officers liability coverage.
- The federal banking and thrift regulatory agencies are reminding banks and savings associations that, except in very limited circumstances, they may not disclose a report of examination or any portion of the report without the prior written permission of the appropriate regulator.
- Any person who discloses or uses non-public information except as expressly permitted by the appropriate regulator or as provided by the regulator's rules may be subject to the criminal penalties provided in 18 U.S.C. § 641.
- The banking and thrift regulatory agencies have requested assistance from the National Association of Insurance Commissioners in notifying insurance companies that requests for CAMELS ratings should be discontinued due to the confidential nature of the ratings.

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The Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Office of Thrift Supervision (the Agencies) have jointly issued the attached “Interagency Advisory on the Confidentiality of the Supervisory Rating and Other Nonpublic Supervisory Information.” This advisory reminds institutions that, except in very limited circumstances, they are prohibited by law from disclosing their CAMELS rating and other non-public supervisory information to insurers as well as other non-related third parties without permission from their appropriate regulator.

It has come to the attention of the Agencies that some insurers are requesting institutions to disclose CAMELS ratings during the underwriting process in order to receive directors and officers liability coverage. FDIC regulations specifically provide that the report of examination and the information contained therein are highly confidential and can only be disclosed in accordance with 12 C.F.R § 309 of the FDIC’s Rules and Regulations. Any person who discloses or uses non-public information except as expressly permitted by the FDIC or as provided by the FDIC’s regulations may be subject to the criminal penalties provided in 18 U.S.C. § 641.

The Agencies have requested assistance from the National Association of Insurance Commissioners in notifying insurance companies that requests for CAMELS ratings should be discontinued due to the confidential nature of the rating.

Michael J. Zamorski
Director
Division of Supervision and Consumer Protection