



NATIONAL CREDIT UNION ADMINISTRATION  
Washington, D.C. 20456

May 11, 1987

GC/JT:sg  
3600

Office of General Counsel

Mr. Larry T. Wilson  
President/CEO  
IBM Coastal Employees Federal Credit Union  
P.O. Box 58429  
Raleigh, N.C. 27658

Dear Mr. Wilson:

This is in response to your letter of March 24, 1987, which asked whether a Federal credit union (FCU) could purchase personal liability insurance on behalf of FCU directors and officers.

It is the position of this Office that FCU's are permitted, pursuant to Section 107(16) of the FCU Act (12 U.S.C. §1757(16)), to purchase personal liability insurance for directors and officers. Your letter implied that the policy purchased by the FCU would include coverage for any personal liability of FCU directors or officers resulting from the performance of their FCU duties. We should point out that the policy purchased by the FCU must be limited to coverage for personal liability resulting from the performance of FCU director and officer duties for the FCU involved. This type of policy is available for purchase by Federal credit unions.

We trust this has been of assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read 'S. Bisker'.

STEVEN R. BISKER  
Assistant General Counsel

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FOIA Vol III A4 Directors