



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

Office of General Counsel

GC/JT:sg
SSIC 3501
89-0106

October 13, 1989

Mr. Steven Davidson
Regional Manager
DBS Agency, Inc.
P.O. Box 826
Salem, Virginia 24153

Re: Accidental Death and Dismemberment Insurance for
FCU Directors and Committee Members (Your
September 27, 1989 Letter)

Dear Mr. Davidson:

You have asked whether it is permissible for a Federal credit union ("FCU") to provide its directors and committee members with a business travel accident insurance policy. This is permissible under Section 701.33(b)(2)(ii) of NCUA's Rules and Regulations (12 C.F.R. 701.33(b)(2)(ii)).

ANALYSIS

Your company offers a business travel accident insurance policy that provides FCU directors and committee members \$100,000 coverage while on credit union business. Section 701.33(b)(2)(ii) of NCUA's Rules and Regulations permits an FCU to provide its directors and committee members with:

. . . reasonable health, accident and related types of personal insurance protection. . .
Provided, that such insurance protection must exclude life insurance; must be limited to areas of risk, including accidental death and dismemberment, to which the official is exposed by reason of carrying out the duties or

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responsibilities of the official's credit
union position. . .

The policy you describe is permissible under this regulation.

Sincerely,

Hattie M. Ulan

HATTIE M. ULAN
Assistant General Counsel