

GUIDANCE DOCUMENT

This guidance document is advisory in nature but is binding on an agency until amended by such agency. A guidance document does not include internal procedural documents that only affect the internal operations of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

STATEMENT OF POLICY #16

DISCLOSURE OF INFORMATION TO BONDING COMPANIES

The Nebraska Department of Banking and Finance ("Department") sets forth Statement of Policy #16 regarding the allowable disclosure of information to bonding companies. In the process of obtaining and/or renewing fidelity and officers and directors liability insurance coverage, financial institutions may disclose to the insuring company certain information contained in examination reports, along with information relating to formal or informal regulatory action to which the institution is subject. The following list may be provided to insurers:

1. By number and dollar amount only, assets subject to adverse classification and listed for Special Mention.
2. A copy of any outstanding or proposed Cease & Desist Order, Consent Order, Memorandum of Understanding, or other written informal action or agreement.
3. Correspondence between the financial institution and the Department, which is not specifically marked "confidential."

The Department is not mandating the above information be released to bonding companies, as that decision rests with the financial institution's Board of Directors. Any other information beyond the above is to remain confidential and is not to be disclosed. When any information from an examination report or formal or informal action is released to an insurer, the institution's Board of Directors should specifically authorize release of that information by appropriate board resolution, and provide instructions as to copying, use, and return of the information.

Numerical ratings assigned to each institution by the Department are not to be disclosed.

Disclosure of information not authorized by the Department may result in administrative action, including the revocation of executive officers' licenses and/or the approval to act as a member of the Board of Directors. The financial institution should ensure that its primary federal regulator approves of the release of the information.

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