

Press Releases

March 29, 2000

OTS 00-35 - OTS Approves De Novo Charter for Kansas City Life Insurance

Office of Thrift Supervision

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For further information

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OTS 00-35

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OTS Approves De Novo Charter for Kansas City Life Insurance

WASHINGTON, D.C., March 29, 2000 -- The Office of Thrift Supervision (OTS) has granted a federal thrift charter to Kansas City Life Insurance Company (KCLIC). The thrift, Generations Bank, will operate in Kansas City, Mo.

KCLIC, founded in 1895, is a Missouri-chartered life insurance company. It has several subsidiaries, including two other life insurance companies. KCLIC also has several non-life groups including a broker-dealer, an investment company and a financial services company. KCLIC underwrites a full line of individual life insurance and annuity products.

The thrift will allow KCLIC to expand the financial products available to its customers by offering a wide range of products, including credit cards, auto loans, residential mortgages and home equity loans and a variety of deposit products. Generations will market the products through direct mail and telemarketing, KCLIC's insurance agents and the Internet.

Generations Bank must submit annual independent audit reports to OTS for its first three fiscal years. It must also operate within the parameters of its approved business plan or obtain permission from OTS to deviate from that plan. At least 40 percent of Generations board of directors must be individuals who are not officers or employees of KCLIC or its affiliates and at least one member must be an individual who is not an officer, director or employee of the holding company, affiliates or the savings bank. The thrift must also comply with anti-tying restrictions and must develop written procedures to ensure compliance.

OTS requires Generations Bank to submit a plan at least 45 days prior to commencing operations that includes: a comprehensive compliance management plan that describes an ongoing system for assuring compliance with fair lending and consumer protection statutes; comprehensive, non-discriminatory underwriting policies and procedures, including pricing standards, for consumer loans, credit cards, mortgages, small business loans, commercial loans or any other credit products offered; and written assurance that compliance with the Real Estate Settlement Procedures Act will be monitored on an ongoing basis.

OTS further requires that any affiliate of Generations that engages in broker, dealer, investment company or investment advisor activities must be operated separately from the

bank, a majority of the bank's officers cannot be individuals who are officers, directors or employees of any securities affiliate. OTS also prohibits the bank and any securities affiliate from sharing common officers without prior approval.

Approval Order for Kansas City Life - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2000-35a.pdf>

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The Office of Thrift Supervision (OTS), an office of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents visit the OTS web page at www.ots.treas.gov.