TO: Chief Executive Officers of all National Banks; All State Banking Authorities; Chairman, Board of Governors of the Federal Reserve System; Chairman, Federal Deposit Insurance Corporation; Conference of State Bank Supervisors; Deputy Comptrollers Districts; District Administrators; District Counsel and Examining Personnel.

Information has been received which indicates that names of legitimate insurance companies including Central State Insurance Company, Jefferson National Life Insurance Company and Reserve Life Insurance Company are cited on "Insurance Binders" which are being used as backup collateral to letters of credit issued by entities not known as financially capable issuers of such credits. In each reported instance, the insurance company so named has advised that such "binders" are unauthorized and non-binding instruments.

Extreme caution is advised if any such instrument is disclosed on any such financial transaction.

Any information which you may have concerning this matter should be brought to the attention of:

Office of the Comptroller of the Currency
Enforcement & Compliance Division
Washington, D.C. 20219

Robert B. Serino
Deputy Chief Counsel (Policy)