



April 19, 2006

Mr. Scott Jarvis, Director
Washington State Department of Financial Institutions
P.O. Box 41200
Olympia, WA 98504

Director Jarvis,

As you may be aware, several state-chartered credit unions in Washington have been studying the benefits of non-federal deposit insurance. The Washington Credit Union League agrees that a thoughtful exploration of the concept and the process of how the Director makes the required finding under the statute is warranted at this time.

It is my understanding that in recent months one or more meetings may have been held by interested credit unions to discuss this matter. One result was a request of the Washington Credit Union League to clarify its standing policy position on the matter. WCUL firmly supports deposit insurance alternatives. A second request was for technical assistance by the League. On March 7th, the credit union CEOs comprising the Executive Committee of the WCUL Government Affairs Forum voted unanimously to commit the League to making a legal and regulatory exploration of insurance alternatives a priority matter for 2006.

In an ideal regulatory environment, state chartered Washington credit unions should be able to choose between federal share insurance for their members' accounts and share insurance provided by another entity approved by the DFI Director. This is presumed to require suitable review and findings which we hope would lead to initiation of DFI approval for coverage alternatives from American Share Insurance (ASI) as the nation's largest private provider of deposit insurance. As a corporation ASI has safely and soundly operated for more than 30 years as an alternative source for insuring member deposits in state chartered credit unions in a number of other states. Additionally, as an already approved and established entity in Washington State, ASI has many years of experience and success in providing excess deposit coverage for both state and federally chartered credit unions.

April 19, 2006
Page Two

I believe lobbyist Gary Gardner has already requested a meeting on the matter, recommending it include you, DCU Director Linda Jekel, principals from ASI, WCUL, and representative stakeholders. We support such a meeting and suggest that the agenda include general discussion, information regarding how ASI operates in other states and best practices for DFI process review.

The Washington League feels this is an important alternative; worthy of appropriate academic and practical consideration. I hope you agree.

Sincerely,

John Annaloro
President/CEO

cc: Linda Jekel, Director, Division of Credit Unions
Dennis Adams, President, American Share Insurance
Elliot Gregg, Co-Chair, WCUL Governmental Affairs Committee
Susan Streifel, Co-Chair, WCUL Governmental Affairs Committee