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June 25, 2007

Linda Jekel, Director of Credit Unions
Department of Financial Institutions
PO Box 41200
Olympia, Wa. 98504-1200

RE: Private Insurance Option Rules

Dear Linda,

I respect the work that you are doing to undertake the delicate process of gathering information and making rules that meet the intention of the Legislature when they enacted RCW 31.12.408.

In reviewing the information contained on the website, it would appear that you have addressed the critical areas to ensure safety and soundness such as reserves, geographic diversity etc. However, I would suggest that you look at realistic definitions to ensure that you have not excluded the possibility of allowing alternative share insurance providers from meeting the expectations.

To my knowledge there is one alternative share insurance provider who has been in business for over 30 years with no losses or unpaid claims. Is it possible to use this company as a benchmark to "test" the rules? One would have to ask the question, "If they do not meet the rules, how have they stayed in business?" I am not familiar with NCUA's stress tests and have no knowledge if the NCUA meets those tests, however setting realistic rules that ensure safety and soundness while creating the opportunity for credit unions to have a choice in insurers would seem to be the balance in which to strive.

I am extremely proud of the work that you do on behalf of state chartered credit unions. It is also my belief that our state charter in Washington is successful because of the quality of interaction between our regulator and the regulated. I would ask that you continue to work hard with all stakeholders to address the obstacles that remain in the draft rules so that we may have yet another choice in Washington State- the choice of insurers.

Respectfully,

WOODSTONE CREDIT UNION

Susan Streifel, CCE
President/CEO