

2025 RELEASE



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Office of the High Commissioner

Saipan, Mariana Islands

RELEASE: 122-66

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CREDIT UNION AWARDED INSURANCE CONTRACTS

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Saipan, Mariana Islands, Trust Territory of the Pacific Islands, August 8 . . . The Mesenieng Credit Union in Kolonia, Ponape District, has the distinction of being granted the first loan protection and life savings contracts in the Trust Territory by the CUNA Mutual Insurance Society of Madison, Wisconsin, Headquarters Cooperative Services Officer Samuel X. Mitchell announced today.

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The credit union has also been accepted as a member of CUNA International, a world-wide association of credit unions, Mr. Mitchell said. Officers of the credit union are Kasiano Joseph, President, and Kozo Yamada, Treasurer.

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Mr. Mitchell described the credit union's new insurance program as follows:

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"It provides important insurance benefits for every member. A member who borrows from the credit union immediately has full life insurance up to the amount of his loan (but not exceeding \$10,000). Thus, if he should die, or become permanently and totally disabled before he has completed payment on his loan, the insurance company will pay the loan balance for him. The borrower's family or relatives will not be called upon to pay off his loan, nor will the cre-

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dit union lose anything. This insurance costs the member nothing. It is paid for by the credit union and is an additional benefit for members who participate in the credit union.

"In the case of life savings insurance, upon the death of a member who holds shares in the credit union, the insurance company will send an amount equivalent to his share balance at the time of death to the credit union for payment into the deceased member's share account. Thus, the survivors, or heirs, of the deceased member will receive twice as much from the credit union as the member had saved up to the time of his death. There is, however, a limit of \$2,000 on the amount of life savings insurance that the society will pay to a credit union in behalf of a deceased member. As in the case of loan protection insurance, this insurance costs the credit union member nothing, but is paid for by the credit union."

Mr. Mitchell said that, while the above statements are generally applicable, the exact terms are as specified in the blanket policies issued to the credit union and are not to be interpreted otherwise.

He explained that the loan protection insurance means that a borrower "will be relieved to know that his guarantors, family, or friends will not have to pay off his loan if he should die unexpectedly, or if he becomes totally and permanently disabled. Neither is the credit union likely to lose as a result of such an unfortunate circumstance."

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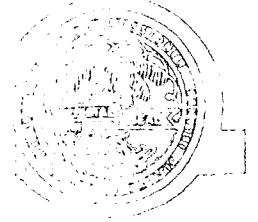
The life savings insurance is intended to provide an incentive for members to save regularly in the credit union, and thus build up a substantial savings account, with the realization that for each dollar saved, they are also acquiring \$1. of free life insurance, Mr. Mitchell said.

The Marshall Islands Credit Union has also submitted an application for these insurances and acceptance is expected from the insurance company shortly. The Trukese Government Employees Credit Union will also submit an application soon.

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Saipan, Mariana Islands

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RELEASE: 121-66

MOBIL OIL MICRONESIA AWARDED CONTRACT

Saipan, Mariana Islands, Trust Territory of the Pacific Islands, August 1 . . . A contract for establishment of a commercially-operated, Territory-wide petroleum supply, storage and distribution system has been awarded to the newly-chartered Mobil Oil Micronesia Corporation, High Commissioner W.R. Norwood announced today.

This contract will include supply of the total petroleum needs of the islands, both Government and commercial, and the purchase or rental of existing Government-owned bulk storage and distribution facilities as well as leasing of land. An expenditure of more than a million dollars for new facilities and expansion of the present bulk storage facilities is contemplated.

The charter of the new corporation provides for participation by Trust Territory citizens in 20 per cent of the initial capitalization which is expected to amount to approximately \$1,400,000. Class and valuation of the initial stock issues have not yet been determined. It is anticipated that the corporation will employ Micronesian citizens throughout, following a period of training

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in the Philippines for bulk plant managers who will be in charge of bulk plants at each District center. A full-time over-all American manager is contemplated for the operation and will be stationed at the corporation's headquarters in Saipan.

The new contract provides for the supplying of all Trust Territory Government petroleum needs for a 10-year period with an option for renewal for an additional five years. In addition, the corporation is obligated to render assistance to local retail distributors by making funds available for loans for the construction of service station facilities or by constructing such facilities for lease to Micronesian retailers.

Under terms of the award, Mobil Oil Micronesia will take over all existing facilities throughout the Trust Territory within 60 days and will start construction of the more urgently-required new facilities within 90 days. It is anticipated that the first phase of construction will be completed by June 30, 1967.

In announcing the contract the High Commissioner said: "The operations of this new corporation will prove to be of great benefit in training of Micronesians in modern business practices and will provide much-needed impetus to the expanding economy of the Trust Territory. It is one of several such contracts now in existence, and others of this nature are anticipated."

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