



July 11, 2024

Federal Housing Finance Agency

RE: Request for input on the mission of the FHLBank System

To whom it may concern:

Thank you for the opportunity to share perspective about the mission of the FHLBank System as the Agency considers next steps.

We appreciate your work to promote the mission outlined by Congress under the Federal Home Loan Bank Act: to provide liquidity to members in support of housing and community development. As you consider initiatives, please work through the appropriate channel for enacting them. Congress has authorized the types of institutions eligible for membership and the requirements for them to access liquidity and other products and services. Any proposed changes to the system or mission of the FHLBank System should be determined by Congress.

IMT Insurance is a small/mid-sized, regional property casualty carrier. As such, we rely on FHLB Des Moines for liquidity to meet policyholder claims. Rising storm costs, reinsurance costs, and inflation have battered profitability in the P&C industry, forcing carriers to take drastic action in terms of pricing and coverage. Access to FHLB has kept borrowing costs low and preserved our investment portfolio which is generating more investment income as interest rates rise. This partnership has helped mitigate rate increases in our homeowners' policies – a critical benefit in this challenging time.

Congress authorized insurance companies for membership because of our role in supporting communities through the safety net of homeowners insurance. Strong and healthy communities require stable and healthy insurers, and FHLB access is a critical piece of that puzzle. The System works well and has proven its value over time. We encourage you to ensure that all current members continue to have the same access as they do today.

Thank you.

Sincerely,

Laurie Mardis, CFA
Director, Investments
IMT Insurance