

Michele C. Sears  
General Counsel

March 17, 2023

Sandra L. Thompson, Director  
Federal Housing Finance Agency  
400 7<sup>th</sup> Street SW  
Washington DC 20024

RE: Federal Home Loan Bank System Comprehensive Review

Dear Ms. Thompson:

The Norfolk & Dedham Group® is a group of affiliated mutual property and casualty insurance companies founded 198 years ago this day in 1825. We write today to express our support of the FHLB's shared commitment to community development, and property casualty insurer membership in the Federal Home Loan Bank System (the "FHLB"), which has supported our business and our member policyholders since 2012.

Our membership in the FHLB is an important element of our liquidity and asset liability management. Under the mutual insurance company structure, we have limited access to capital, and the favorable interest rates offered by the FHLB is crucial to our liquidity management. Property and casualty insurers' liquidity management is critical in today's environment, as the insurance industry faces the headwinds of inflation, increased costs of construction, increasingly volatile and severe weather, diminished reinsurance capacity and increased reinsurance costs. Liquidity is essential to an insurer's ability to pay homeowner insured's claims, which is in direct alignment with the FHLB's mission to support homeownership.

As a property and casualty mutual insurer, we support the home ownership and businesses of our policyholder members. Insurer liquidity perpetuates lower premiums which support home ownership and community investments. Property and casualty insurers play an important role in supporting local communities by providing financial assistance after disasters and other catastrophic events. This assistance helps to rebuild homes and businesses and supports the overall recovery of affected communities.

Insurers are uniquely suited members of the FHLB. Like banks, insurance companies are highly regulated for solvency and capitalization, and insurers' stability both supports and is supported by the FHLB. Any changes to the FHLB mission, framework or operations should preserve the FHLB's mission to support affordable housing and community

development and maintain the synergy of property and casualty insurer's membership in the FHLB.

Thank you for your time and consideration. We look forward to continuing to work with the FHFA and the FHLB in support of our shared mission.

Sincerely,



Michele C. Sears  
General Counsel