



January 9, 2015

**Alfred M. Pollard, General Counsel  
Attn: Comments/RIN 2590-AA39  
Federal Housing Finance Agency  
400 Seventh Street SW., Eighth Floor  
Washington, DC 20024**

Via [www.fhfa.gov/open-for-comment-or-input](http://www.fhfa.gov/open-for-comment-or-input)  
And [RegComments@fhfa.gov](mailto:RegComments@fhfa.gov)

**RE: RIN 2590-AA39  
Excluding Captive Insurance Companies from Membership  
in the Federal Home Loan Bank**

**Dear Mr. Pollard:**

**On behalf of the Captive Insurance Companies Association (CICA) we write to express our strong views in opposition to that section of the Proposed Regulation governing the Federal Home Loan Bank (Bank) membership that proposes to define the term “insurance company” in such a way as to create a blanket prohibition on Bank membership by captive insurance companies, and a phasing out over a five year period of existing captive insurance company members of the Bank.**

**CICA is the leading domicile neutral trade association representing the captive insurance industry. CICA represents hundreds of members and CICA’s members are individual captive insurance companies, companies that own and utilize captives, and service providers to captives, such as actuaries, accountants, attorneys and insurance consultants. A majority of our members are based in the United States and are important contributors to the US economy by making insurance risk management more efficient for businesses, public entities, and not for profit entities. It is also important to point out that these insurance companies are licensed by the states and regulated by the appropriate insurance regulators in those states. These members represent a wide range of industries and include both Fortune 100 companies and small, family-owned businesses.**

**CICA strongly objects to the portion of the proposed regulation that takes a “one size fits all” approach and proclaims a blanket prohibition on captive insurance company membership in the Bank. Congress set the rules for participation in the FHLB system and specifically allowed insurance participation. Congress, not the Federal Housing Finance Agency, should make the decision to change the eligibility for membership in the Bank.**

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Reply to:  CICA Administrative Office  
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We respectfully ask that the Federal Housing Finance Agency withdraw the proposed rule, or, at a minimum, that portion of the proposed rule that arbitrarily decides that captive insurance companies are not insurance companies, contrary to established statutory and case law.

It is simply wrong to apply a one size fits all, broad brush definition that excludes a significant portion of the insurance industry when Congress has specifically allowed insurance companies to be members of the Federal Home Loan Bank.

Sincerely,



Dennis P. Harwick  
PRESIDENT