

# Federal Home Loan Bank Funding Strategies for Insurance Companies



# About the Presenters

## FHLBoston



**Matt Stewart, CPCU, CLU, FLMI**, vice president at Federal Home Loan Bank of Boston, leads the Bank's insurance sector business development and relationship management. Prior to joining the Bank, Matt held executive positions at Liberty Mutual Insurance and Prudential Financial.

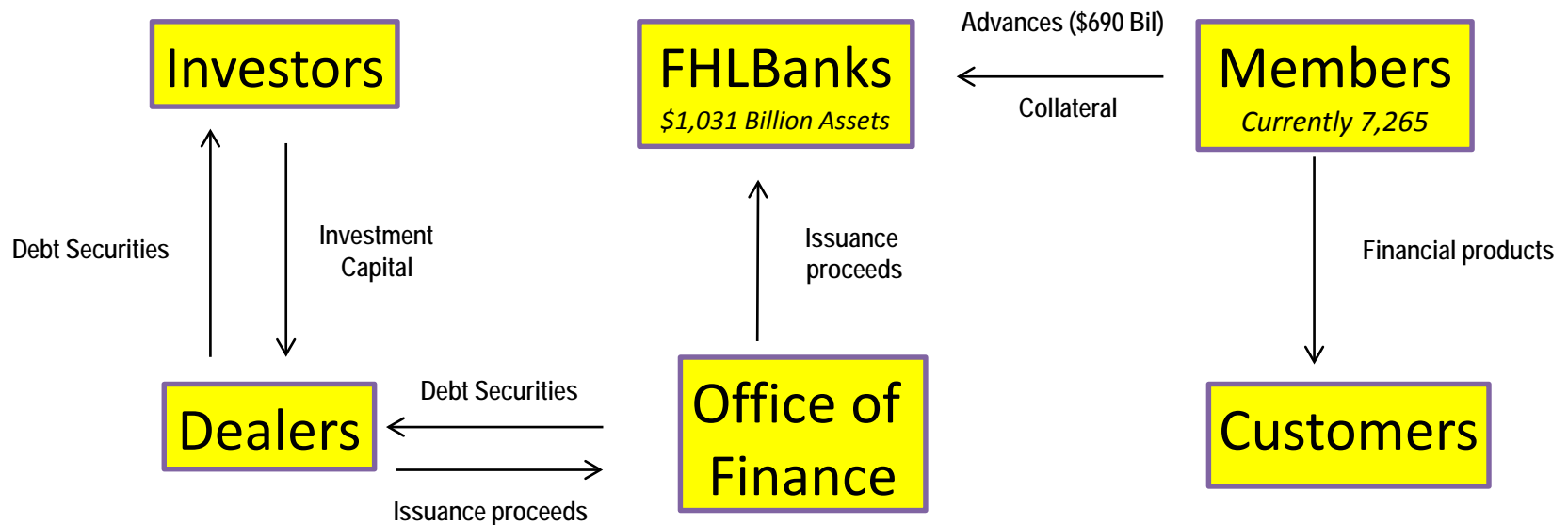


**Bob Alban**, principal of Montshire Advisors, focuses on insurance company capital optimization transactions, alternative investments, and insurance product distribution opportunities. Previously, Bob led corporate development at National Life Group and mergers and acquisitions at Sentry Insurance.



# Federal Home Loan Bank System

- Created by Congress in 1932 to provide liquidity and funding to member institutions
- Cooperatively owned by members and government-sponsored enterprise status
- Debt securities issued through Office of Finance are the joint and several obligations of all 11 banks



# Stock Requirements and the Borrowing Process

## Members purchase membership stock

- FHLB Boston: 35 basis points of residential mortgage-related assets, treasuries, and agencies
- All membership and activity-based stock eligible to receive dividend, currently 3-month LIBOR plus 300 basis points for FHLB Boston

## Borrowing process

1. Submit collateral; value of pledged assets (post-haircuts)  $\geq$  total loans outstanding
  - Eligible asset types and valuations include treasuries and US securities, FNMA and FHLMC MBS and agency CMOs, CMBS AAA, CMBS AA, CMBS A, and residential, multifamily, and commercial real estate loans
  - Various custodian options available
2. Receive funding
3. Purchase activity-based stock, which may be repurchased after borrowing matures
  - Overnight term = 3% of borrowing
  - $\leq 3$  months term = 4% of borrowing
  - $> 3$  months term = 4.5% of borrowing



# Rating Agency and Industry Perspective on FHLB

Access to an alternative, low-cost funding source is credit positive. The FHLBs offer eligible insurers access to low-cost, collateralized borrowing capacity for both their ordinary operating needs and emergency liquidity.

**Moody's**

Although not immune to major market dislocations, the FHLB System has proven to be a stable source of funding through good times and bad.

A material dislocation in financial markets will not likely affect the FHLB in providing insurers this alternative access to funding.

**S&P**

Federal Home Loan Bank advances made to insurance companies, especially life insurers, have risen exponentially in recent years, as insurers seek stable funding sources.

**SNL Financial**

The borrowing capacity provided by the FHLB can be a powerful tool for managing risk and profitability.

**NAMIC publication**

FHLB programs provide financial flexibility for insurance company members and are an attractive source of capital because of the low rate offered on advances.

With respect to insurance operating company leverage, A.M. Best is most comfortable when operating leverage activities such as institutional investment products, FHLB, securities lending, etc. do not exceed 20% of reserves\* at the operating company level.

For insurers utilizing FHLB borrowings for spread-enhancement activities (i.e., similar to securities lending in purpose), A.M. Best would view these activities as qualifying for operating leverage treatment provided the following features are present: Low duration mismatch between assets and debt, credit quality of assets purchased is high, assets purchased have low liquidity risk, or alternatively, the insurer maintains strong liquidity and/or has access to additional liquidity reserves, and there is positive spread generation.

**AM Best's Perspective on Operating Leverage**

Fitch Ratings believes that membership in the Federal Home Loan Bank (FHLB) system can enhance liquidity and financial flexibility for insurance companies, particularly those insurers with limited access to capital markets.

The FHLB is able to source funds at very low rates due to its position as a government sponsored entity (GSE).

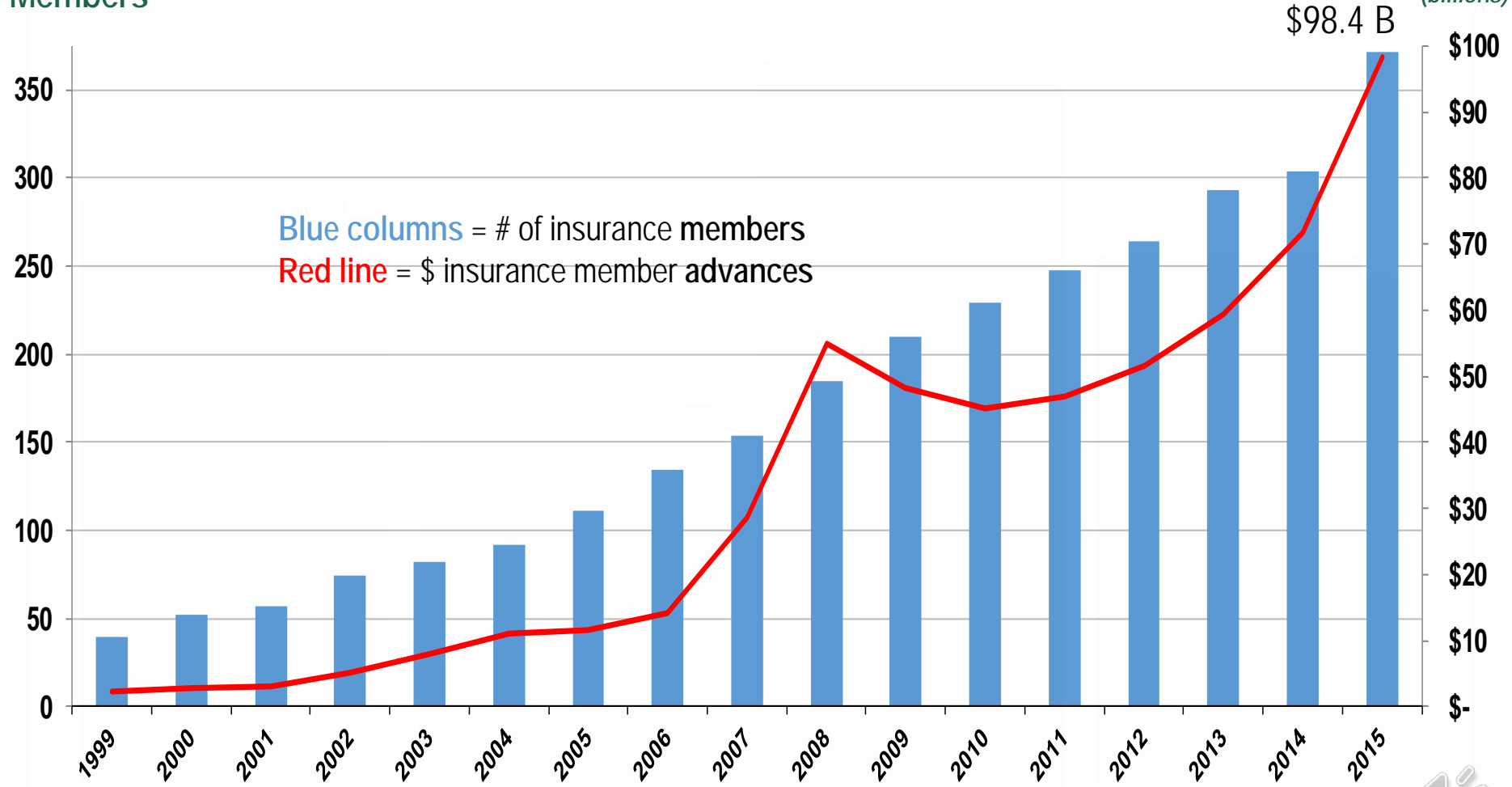
**Fitch Ratings**

# FHLBank Insurance Membership on the Rise Nationally

Insurance members have combined \$5.14 Trillion in Total Assets

Members

Advances  
(billions)



# Federal Home Loan Bank of Boston

- Location = Boston, Massachusetts
- Area served = Six New England states
- Members = More than 440 members, including 46 insurance companies
- Assets = \$58.7 billion
- Capital = \$3 billion
- Total regulatory capital ratio = 5.9 percent\*

*\*Total regulatory capital ratio is capital stock (including mandatorily redeemable capital stock) plus total retained earnings as a percentage of total assets.*



# FHLB Boston Insurance Company Members

## Life Companies

- Aetna Life Insurance
- Hartford Life Insurance Company
- Liberty Life Assurance Company
- Mass Mutual Life Insurance Company
- National Life Insurance
- Prudential Retirement Insurance Annuity
- SBLI of Massachusetts
- Unum Life Insurance
- Vantis Life

## Health Companies

- Blue Cross Blue Shield of MA
- Blue Cross Blue Shield of VT
- BCBS of MA HMO Blue
- Harvard Pilgrim Health Care

## Depositors Insurance

- Depositors Insurance Fund
- Mass Credit Union Share Insurance

## P&C Companies

- AIM Mutual
- American European
- Arbella Mutual Insurance
- Barnstable County Mutual
- Citizens Insurance Co of America
- Commerce Insurance Company
- CT Attorneys Title
- Coverys
- Danbury Mutual
- Dorchester Mutual
- Fitchburg Mutual
- Hanover Insurance Company
- Hingham Mutual
- Housing Authority Property Insurance
- Ironshore Specialty Insurance Company
- Lexington Insurance
- Liberty Mutual Insurance Company
- New London County Mutual
- Norfolk and Dedham
- Peerless Insurance Company
- Quincy Mutual Insurance
- Safety Insurance
- Vermont Mutual

## Risk Retention Groups

- American Excess
- Housing Authority Insurance
- ICI Mutual

## Captives\*

- Cascade Re
- CW Reinsurance Company
- MHL Reinsurance LTD
- Pedcor Insurance



\*Captives are no longer eligible for membership based on Feb 2016 FHFA membership rule





# Expansive Product List

## Advances (Loans)

- Easy, one-call access to funds
- Terms from overnight to 20 years
- Fixed vs. floating
- Bullet vs. amortizing
- All types of derivatives can be embedded
- Same-day settlement for term funding available until noon
- Overnight funding available until 5:00 p.m.

## Letters of Credit

- FHLB Boston is an NAIC-approved bank for letters of credit

## Housing & Community Investment

- Affordable Housing Program
- Community Development Advances

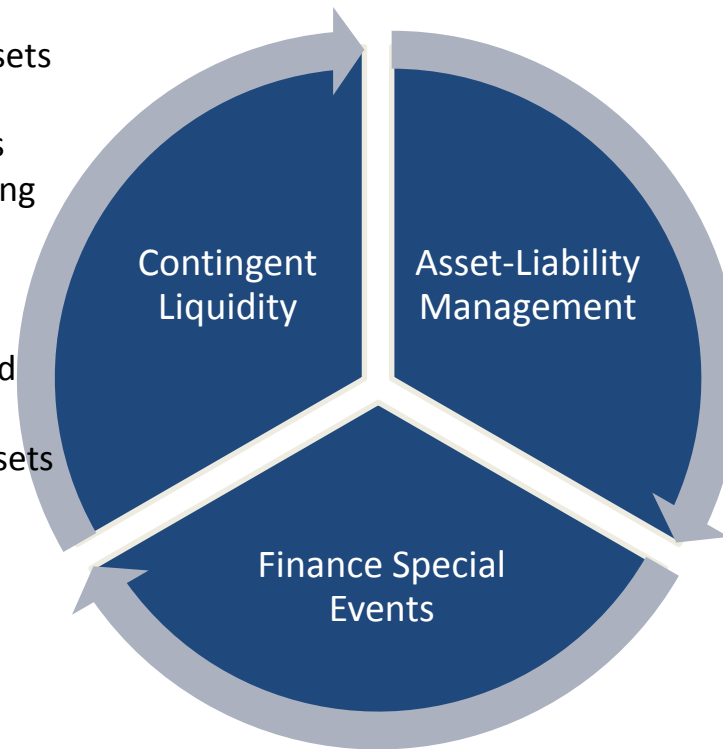


# Getting the Most of FHLB Membership



# Funding Uses

- Emergency/back-up liquidity
- Gain liquidity from illiquid assets
- Cash management
- Fill reinsurance payment gaps
- Enhance returns by redeploying low-yielding cash and short-term investments into higher yielding investments and utilizing FHLB to offset needed liquidity
- Create liquidity for illiquid assets (e.g. mortgages)

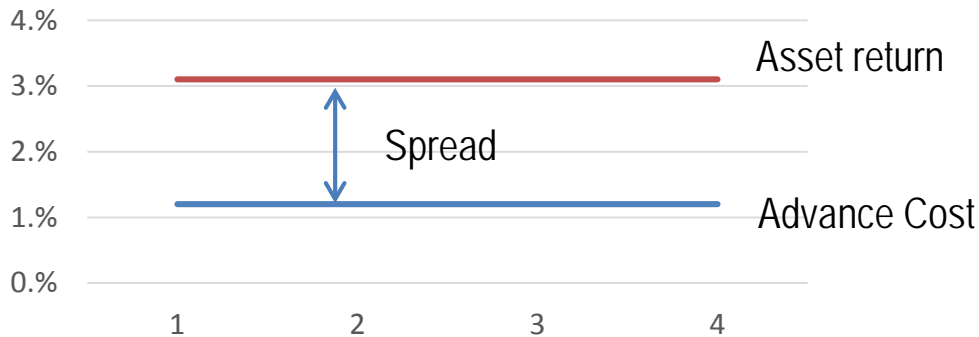


- Spread-based borrowing
- Extend duration of liabilities to target an optimal point on the rate curve
- Interest-rate-risk management
- Fill liability gaps associated with policyholder behavior (lapsation) to smooth out liability cash flows
- Time purchase and sale of investments when market conditions are optimal rather than solely based on liability cash flows

- FHLB community development programs
- Other restructuring events
- Capital purchases
- Debt and capital repurchases
- Letters of credit to fund third-party reinsurance



# Spread-Based Borrowing



*Historically, larger life insurance companies took advantage of this opportunity, but increasingly, smaller life, P&C, and health insurers are implementing spread-based borrowing programs*

Typical considerations for a spread-based borrowing program include:

- **Targeted spread.** How much spread is needed for an attractive return on capital?
- **Optimal investments.** Which investments meet insurance company criteria for return on capital and are considered attractive from a risk/return perspective?
- **Timing.** Unlike other insurance lines of business, spread-based borrowing programs can be implemented upon the discretion of the insurance company. Typically, this will be timed with optimal investment opportunities to produce an attractive spread and/or when the insurance company has capital to deploy and desires to grow earnings.
- **Structure of advance.** FHLB Boston offers great flexibility in advance structures including floating- and fixed-rate (from one day to 20 years), amortizing and bullet structures, prepayment options, etc.



# Spread-Based Borrowing – Illustration

The following illustrates the return on capital for a life insurer entering into a \$100 million funding agreement with the Bank, with 50% invested in A-rated corporate bonds and 50% in BBB-rated corporate bonds.

Size:		\$100 mm						
RBC @ 400%			S&P (A-)			BCAR		
Funding Agreement		Notes	Funding Agreement		Notes	Funding Agreement		Notes
C0	4.0	1	C0	0.0		C0	0.0	
C1o - bonds	2.3	2	C1o - bonds	3.0	2	C1o - bonds	1.7	2
C1cs	0.1	3	C1cs	0.0	3	C1cs	1.9	3
C2	0.0		C2	0.0		C2	0.0	
C3	0.0	4	C3	2.4		C3	0.6	
C4	<u>0.0</u>		C4	<u>0.0</u>		C4	<u>0.0</u>	
	6.3			5.3			4.3	

Notes:

1. 1.3% charge. Assumes 85% haircut on collateral.
2. Assumes 50% NAIC 1 corporate bonds and 50% NAIC 2 corporate bonds.
3. Assumes 4.5% of borrowing amount in FHLB stock purchased.
4. Typically negative for RBC (C3 Phase I) and can offset positive C3 amounts if any exist.
5. RBC and BCAR values adjusted for industry average covariance benefit

- As of 5/2/16, 5-year FHLB fixed-rate advance cost was approximately 180 basis points and a 5-year 50/50 BBB/A corporate bond portfolio would have yielded about 300 basis points, generating about 120 basis points of net spread. Assuming a 35% tax rate, this would generate about 80 basis points of after tax spread.
- This would generate **12.7%, 15.1%, and 18.6% return** on RBC capital, S&P capital, and BCAR capital, respectively.
- P&C insurers would have similar capital requirements: R0 for collateral, R1 for fixed income, and R2 for FHLB stock. Many P&C insurers have substantial covariance benefit for R1 and R2.



# Spread-Based Borrowing – Optimal Investments

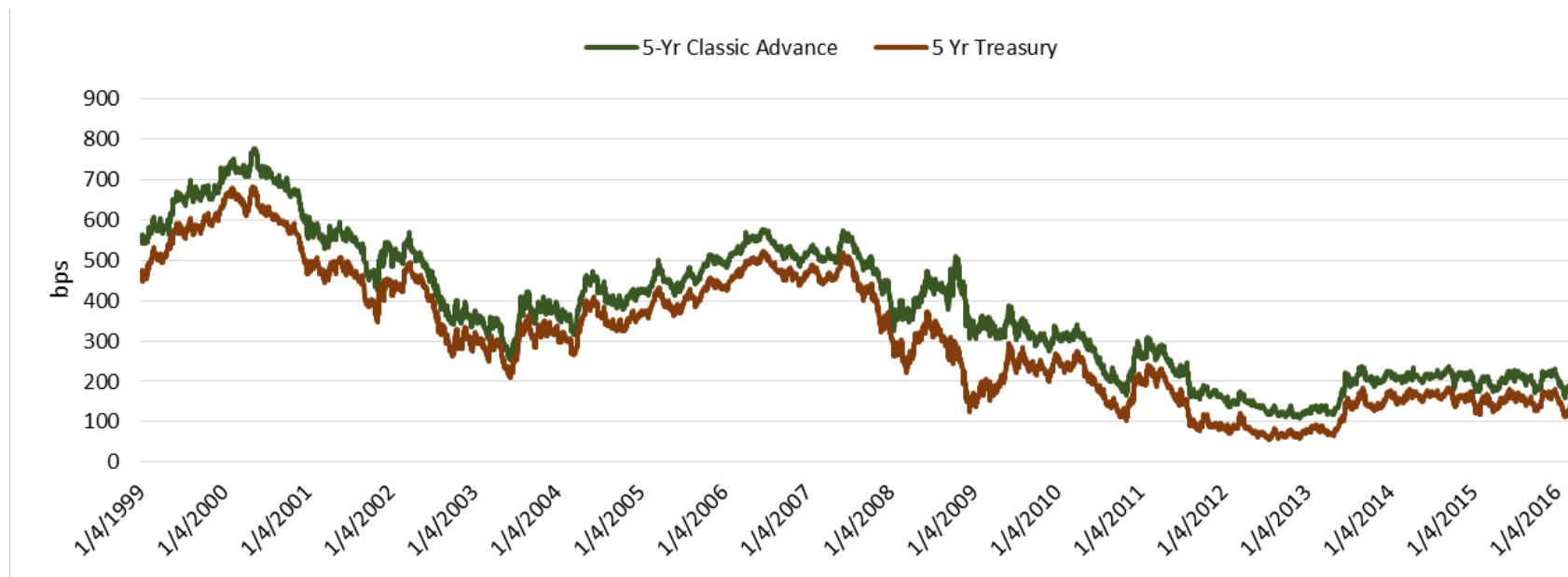
- Several asset classes are eligible as FHLB collateral and can deliver an attractive net spread. Numerous other NAIC 1 & 2 asset classes are not eligible as FHLB collateral but can produce an attractive net spread.
- Insurance companies with limited borrowing capacity will likely want to focus on the first group of asset classes, and those with excess borrowing capacity will likely also focus on the second group of asset classes.

FHLB Eligible Asset Classes	Non-Eligible Asset Classes
AAA-, AA-, and A-rated CMBS	Investment-grade corporates (Mostly A- and BBB-rated)
Fixed- or floating-rate CML	CLOs
Investor-owned RML	Nonagency RMBS
Jumbo RML	ABS
Agency RMBS	Structured settlements / lottery settlements
Synthetics (underlying treasury or agency)	Emerging market inflation-linked sovereigns
	Principal-protected note and rated funds



# Spread-Based Borrowing – Timing

Comparison of FHLB Boston's five-year Classic Advance rate with five-year treasury rates



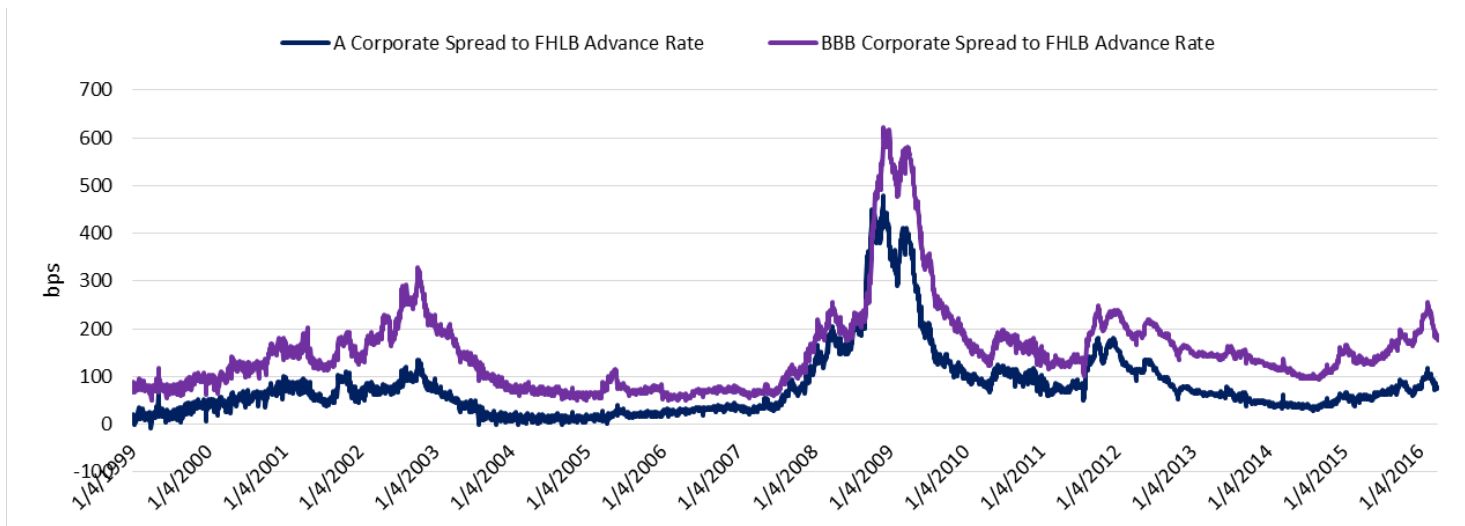
FHLB advance rate compared to treasuries has been highly correlated demonstrating its high quality.

The median spread has been 61 basis points and is currently ~55 basis points.



# Spread-Based Borrowing - Timing

Comparison of historical BBB and A spreads to FHLB advance rates



During this period, the median, minimum, maximum and current BBB and A spreads to FHLB advance rates and median and current spread of selected other asset classes were as follows:

	Median	Maximum	Current (5/2/16)
A Corporate Credit Spread	62bp	478bp	~75bp
BBB Corporate Credit Spread	138bp	623bp	~175bp
AAA CMBS Spread	~50bp		~75bp
CML Spread	~100bp		~125bp
AAA CLO Spread	~75bp		~150bp

*\*Estimated based on Montshire analysis of FHLB advance rates, Moody's credit spread data, and other publicly available data.*





# Cash Management Illustration

- Insurance company investment strategy tends to focus on liquidity.
- Industry median cash plus bonds maturing in less than one year as a percentage of invested assets is approximately 12 and 30 percent, respectively, for P&C and health companies.
- Reallocating a portion of cash and short-term bonds to higher yielding investments and relying on FHLB for cash management can meaningfully improve income.
- The following illustrates the benefit to a hypothetical health or P&C insurer.

Cash: \$ 75M (15%)	—————→	Cash: \$38M (7.5%)
Total assets: \$ 500M	<i>Move \$37M of cash to higher-yielding investment</i>	Total assets: \$500M
Surplus: \$ 250M		Surplus: \$250M
Net income: \$ 20.0M	<i>Assume yield increases from 50 to 300 basis points, with 35% tax rate.</i>	Net income: \$20.6M
ROE: 8.0%		ROE: 8.2%
ROA: 4.0%		ROA: 4.1%



# List of Insurance Company Members Countrywide



# Insurance Members – All FHLBanks

Customer Name	State
4 Ever Life Insurance Company	IL
5 Star Life Insurance Company	VA
A.I.M. Mutual Insurance Company	MA
AAA Life Insurance Company	MI
ACA Insurance Company	IN
Accident Fund Insurance Company of America	MI
Accordia Life and Annuity Company	IA
ACREFI Insurance Services, LLC	MI
Aetna Life Insurance Company	CT
Agents National Title Insurance Company	MO
AIG Specialty Insurance Company	IL
Allianz Life Insurance Company of North America	MN
American Benefit Life Insurance Company	TX
American Benefit Life Insurance Company	TX
American Century Life Insurance Company of Texas	TX
American European Insurance Company	NH
American Excess Insurance Exchange, RRG	VT
American Family Life Insurance Company	WI
American Family Mutual Insurance Company	WI
American Fidelity Assurance Co.	OK
American General Life Insurance Company	TX
American Home Assurance Company	NY
American Mutual Life Association	OH
American Mutual Share Insurance Corporation	OH
American Public Life Insurance Company	OK
American Republic Insurance Company	IA
American United Life Insurance Company	IN
Amerisure Insurance Company	MI
Amerisure Mutual Insurance Company	MI
Amerisure Partners Insurance Company	MI
Ameritas Life Insurance Corp.	NE
Ameritrust Insurance Corporation	MI
AmFirst Insurance Company	MS
Anthem Health Plans of Kentucky, Inc.	KY
Anthem Health Plans of Virginia, Inc.	VA
Anthem Insurance Companies, Inc	IN
Anworth Insurance LLC	MI
ARBC Insurance Company, LLC	NJ
Arbella Mutual Insurance Company	MA
Armed Forces Insurance Exchange	KS
Assurity Life Insurance Company	NE

Customer Name	State
Athene Annuity and Life Company	IA
Athene Life Insurance Company	IN
Atlantic States Insurance Company	PA
Austin Mutual Insurance Company	MN
Auto Club Insurance Association	MI
Auto Club Insurance Company of Florida	FL
Auto Club Life Insurance Company	MI
Auto-Owners Insurance Company	MI
Auto-Owners Life Insurance Company	MI
AXA Equitable Life Insurance Company	NY
Baltimore Life Insurance Company (The)	MD
Bankers Insurance Company	FL
Bankers Life and Casualty Company	IL
Bankers Life Insurance Company	FL
Barnstable County Mutual Insurance Company	MA
BCS Insurance Company	OH
Belmont Insurance Company	NY
Blue Care Network of Michigan	MI
Blue Cross and Blue Shield of Alabama	AL
Blue Cross and Blue Shield of Georgia, Inc.	GA
Blue Cross and Blue Shield of MA HMO Blue.	MA
Blue Cross and Blue Shield of MA, Inc.	MA
Blue Cross And Blue Shield of Michigan	MI
Blue Cross and Blue Shield of Minnesota	MN
Blue Cross Blue Shield of Arizona, Inc.	AZ
Blue Residential Insurance, LLC	TN
BlueCross BlueShield of Tennessee, Inc.	TN
Boston Indemnity Company, Inc.	SD
BrickStreet Mutual Insurance Company	WV
Brotherhood Mutual Insurance Company	IN
Buckeye State Mutual Insurance Company	OH
Builders Insurance (A Mutual Captive Company)	GA
Builders Mutual Insurance Company	NC
Cantor Real Estate Insurance Company, LLC	NJ
Capitol Life Insurance Company (The)	TX
Capstead Insurance LLC	TN
Cascade Re, LLC	VT
Catholic Order of Foresters	IL
Catholic Relief Insurance Company of America	VT
Central Security Life Insurance Company	TX
Central States Health & Life Company of Omaha	NE

Customer Name	State
Champions Life Insurance Company	TX
Chesapeake Employers' Insurance Company	MD
Chimera Insurance Company, LLC	MO
CHMI Insurance Company, LLC	MI
CMFG Life Insurance Company	IA
Colonia Life Insurance Co. of Texas	TX
Colonial Lloyds Insurance Company	TX
Colonial Penn Life Insurance Company	PA
Columbia Mutual Insurance Company	MO
Columbus Life Insurance Company	OH
Commerce Insurance Company (The)	MA
Community Insurance Company	OH
Connecticut Attorneys Title Insurance Company	CT
Conseco Life Insurance Company	IN
Conseco Life Insurance Company	MS
Continental Casualty Company	IL
Copper Insurance, LLC	MO
Country Life Insurance Company	IL
Country Mutual Insurance Company	IL
CSAA Insurance Exchange	CA
CUMIS Insurance Society, Inc.	IA
CW Reinsurance Company	VT
CYS Insurance Services, LLC	TN
Dakota Truck Underwriters	SD
Danbury Insurance Company	MA
Depositors Insurance Fund	MA
Diamond Shoals Insurance LLC	SC
Dorchester Mutual Insurance Company	MA
EARN Insurance LLC	TN
EMC National Life Company	IA
Employers Assurance Company	FL
Employers Compensation Insurance Company	CA
Employers Insurance Company of Nevada	NV
Employers Insurance Company of Wausau	WI
Employers Mutual Casualty Company	IA
Employers Preferred Insurance Company	FL
EquiTrust Life Insurance Company	IA
Erie Family Life Insurance Company	PA
Erie Insurance Company	PA
Erie Insurance Exchange	PA
Essent Guaranty, Inc.	PA

# Insurance Members – All FHLBanks

Customer Name	State
Everence Association Inc.	IN
Farm Bureau General Insurance Company of Michigan	MI
Farm Bureau Life Insurance Company	IA
Farm Bureau Life Insurance Company of Michigan	MI
Farm Bureau Mutual Insurance Company of Michigan	MI
Farm Bureau Property Casualty Insurance Company	IA
Farmers Alliance Mutual Insurance Company	KS
Farmers Mutual of Tennessee	TN
FCCI Insurance Company	FL
Federal Life Insurance Company (Mutual)	IL
Fidelity & Guaranty Life Insurance Company	MD
Fidelity Life Association	IL
Fidelity Security Life Insurance Company	MO
First Catholic Slovak Union of the USA and Canada	OH
First Dakota Indemnity Corporation	SD
First National Life Insurance Company of the USA	NE
First Southeast Reinsurance Company, Inc.	VT
Firstcomp Insurance Company	NE
Fitchburg Mutual Insurance Company	MA
Five Oaks Insurance LLC	MI
Florida Peninsula Insurance Company	FL
Florists' Mutual Insurance Company	IL
Forethought Life Insurance Company	IN
Founders Insurance Company	IL
General American Life Insurance Company	MO
Genworth Life and Annuity Insurance Company	VA
Genworth Life Insurance Company	DE
Genworth Life Insurance Company of New York	NY
Gleaner Life Insurance Society	MI
Government Personnel Mutual Life Insurance	TX
Grain Dealers Mutual Insurance Company	IN
Grange Mutual Casualty Company	OH
Great American Life Insurance Company	OH
Great Lakes Insurance Holdings, LLC	MI
Great Western Insurance Company	UT
Grinnell Mutual Reinsurance Company	IA
Guggenheim Life and Annuity Company	IA
GuideOne Mutual Insurance Company	IA
GuideOne Specialty Mutual Insurance Company	IA
Hanover Insurance Company (The)	NH
Hartford Life Insurance Company	CT

Customer Name	State
Harvard Pilgrim Health Care, Inc.	MA
Hastings Mutual Insurance Company	MI
Hawthorn Life Insurance Company	TX
Health Care Service Corporation	IL
Heritage Life Insurance Company	AZ
HICA Education Loan Corporation	SD
Hightree Insurance, LLC	TN
Hingham Mutual Fire Insurance Company	MA
Hochheim Prairie Farm Mutual Insurance Assoc	TX
Horace Mann Life Insurance Company	IL
Hunt Insurance Company, LLC	TN
IAS Services LLC	MI
ICI Mutual Insurance Company, RRG	VT
Illinois Mutual Life Insurance Company	IL
Investors Heritage Life Insurance Company	KY
Iowa-Midwest Insurance Company	IA
Ironshore Indemnity Inc	MN
Ironshore Specialty Insurance Company	AZ
Jackson National Life Insurance Company	MI
James River Insurance Company	OH
Jefferson National Life Insurance Company	TX
John Hancock Life Insurance Company (USA)	MI
Kansas City Life Insurance Company	MO
Kansas Medical Mutual Insurance Company	KS
Kentucky Employers' Mutual Insurance	KY
Kentucky Farm Bureau Mutual Insurance Co	KY
Kentucky Growers Insurance Company (The)	KY
Key Bridge Insurance LLC	TN
Kilpatrick Life Insurance Company	LA
Lafayette Life Insurance Company	OH
LANCE Indemnity Company, LLC	TN
Landmark Life Insurance Company	TX
Lee Financial Corporation	NC
Lexington Insurance Company	MA
Liberty Bankers Life Insurance Company	OK
Liberty Life Assurance Company of Boston	MA
Liberty Mutual Fire Insurance Company	WI
Liberty Mutual Insurance Company	MA
Life Insurance Company of the Southwest	TX
LifeShield National Insurance Company	OK
Lightning Rod Mutual Insurance Company	OH

Customer Name	State
Lincoln National Life Insurance Company	IN
Mackinaw Insurance Company, LLC	MI
Mackinaw Insurance Company, LLC	MI
MAG Mutual Insurance Company	GA
Manufacturing Technology Mutual Insurance	MI
Massachusetts C.U. Share Insurance Corp.	MA
Massachusetts Mutual Life Insurance Co	MA
Meadowlark Insurance Company LLC	MI
Medical Assurance Company	MS
Medical Professional Mutual Insurance Co	MA
Medico Insurance Company	NE
Mennonite Mutual Insurance Company	OH
Merit Life Insurance Co.	IN
MetLife Insurance Company of Connecticut	CT
MetLife Insurance Company USA	DE
MetLife Investors Insurance Company	MO
Metropolitan Life Insurance Company	NY
Metropolitan Tower Life Insurance Company	DE
MFA Insurance, Inc.	UT
MHL Reinsurance Limited	VT
Michigan Insurance Company	MI
Michigan Millers Mutual Insurance Company	MI
Michigan Professional Insurance Exchange	MI
Midland National Life Insurance Company	IA
Midwest Family Mutual Insurance Company	IA
Minnesota Life Insurance Company	MN
Mississippi Valley Company	AZ
MITT Insurance Company LLC	TN
MMIC Insurance, Inc.	MN
Modern Woodmen of America	IL
MONY Life Insurance Company	NY
Mortgage Guaranty Insurance Corporation	WI
Motorist Mutual Insurance Company	OH
Mountain States Mutual Casualty Company	NM
Mt. Hawley Insurance Company	IL
MTL Insurance Company	IL
Mutual of Omaha Insurance Company	NE
NAMIC Insurance Company, Inc.	IN
National Guardian Life Insurance Co.	WI
National Life Insurance Company	VT
National Slovak Society of USA	PA

# Insurance Members – All FHLBanks

Customer Name	State
National Teachers Associates Life Insurance	TX
National Union Fire Company of Pittsburgh, PA	PA
Nationwide Life Insurance Company	OH
Nationwide Mutual Insurance Company	OH
NCMIC Insurance Company	IA
New Era Life Insurance Company	TX
New London County Mutual Insurance Company	CT
New Mexico Mutual Casualty Company	NM
New York Life Insurance and Annuity Corporation	DE
New York Life Insurance Company	NY
Norfolk and Dedham Mutual Fire Insurance Co	MA
North American Company for Life and Health	IA
North Star Mutual Insurance Company	MN
Northern Neck Insurance Company	VA
NRZ Insurance Holdings LLC	TN
Ohio National Life Assurance Corporation	OH
Ohio National Life Insurance Company	OH
Old American Insurance Company	MO
Old Georgetown Insurance Co., LLC	MO
Old Republic Life Insurance Company	IL
One Mortgage Partners Corporation	VT
Orchid Island Casualty, LLC	TN
Oxford Life Insurance Company	AZ
Pacific Life and Annuity Company	AZ
Pacific Life Insurance Company	NE
Pan-American Life Insurance Company	LA
Paragon Life Insurance Company of Indiana	IN
Pedcor Insurance Company	VT
Peerless Insurance Company	NH
Penn Insurance and Annuity Company	DE
Penn Mutual Life Insurance Company	PA
PF Insurance Company, LLC	OK
Pharmacists Mutual Insurance Company	IA
Philadelphia American Life Insurance Company	TX
Philadelphia Indemnity Insurance Co.	PA
Physicians Life Insurance Company	NE
Physicians Mutual Insurance Company	NE
Pioneer State Mutual Insurance Company	MI
Plans' Liability Insurance Company	OH
Plateau Casualty Insurance Company	TN
Plateau Insurance Company	TN

Customer Name	State
PMT Insurance Company, LLC	OK
Premera Blue Cross	WA
Principal Life Insurance Company	IA
ProAssurance Casualty Company	MI
ProAssurance Indemnity Company, Inc.	AL
Prospect Mortgage Insurance, LLC	IL
Protective Life Insurance Company	TN
Provident Life and Accident Insurance Co	TN
Prudential Retirement Insurance and Annuity	CT
PSL Insurance Company, LLC	TN
Quincy Mutual Fire Insurance Company	MA
Reliance Standard Life Insurance Co	TX
ReliaStar Life Insurance Company	MN
RGA Reinsurance Company	MO
RiverSource Life Insurance Company	MN
RLI Insurance Company	IL
Rockhill Insurance Company	AZ
Rockingham Insurance Company	VA
Royal Neighbors of America	IL
Rural Mutual Insurance Company	WI
RWT Financial, LLC	DE
SABRE Business Insurance LLC	MT
Safe Auto Insurance Company	OH
Safety Insurance Company	MA
Safety National Casualty Corporation	MO
Sagikor Life Insurance Company	TX
SECURA Insurance, A Mutual Company	WI
Security Benefit Life Insurance Co.	KS
Security Life of Denver Insurance Co.	CO
Security National Life Insurance Company	UT
Selective Insurance Company of America	NJ
Selective Insurance Company of New York	NY
Selective Insurance Company of South Carolina	IN
Selective Insurance Company of the Southeast	IN
Senior Health Insurance Company of PA	PA
SFM Mutual Insurance Company	MN
Shellpoint Insurance, LLC	TN
Shenandoah Life Insurance Company	VA
Society Insurance, a mutual company	WI
SoFi Insurance LLC	NV
South Street Lucid Insurance, LLC	TN

Customer Name	State
Southern Farm Bureau Life Insurance Co	MS
SPT Captiv Insurance, LLC	UT
Squire Reassurance Company LLC	MI
Standard Insurance Company	OR
Star Insurance Company	MI
Starmount Life Insurance Company	LA
State Auto Property & Casualty Insurance Co	IA
State Automobile Mutual Insurance Company	OH
State Compensation Insurance Fund	CA
Sun Life Assurance Company of Canada (U.S.)	DE
SunAmerica Life Insurance Company	AZ
Sunset Life Insurance Company of America	MO
Superior Guaranty Insurance Company	MN
Teachers Insurance and Annuity Association	NY
Texas Farm Bureau Casualty Insurance Co	TX
Texas Farm Bureau Mutual Insurance Co	TX
Texas Mutual Insurance Company	TX
TH Insurance Holdings Company LLC	MO
The Bankers Guarantee Title & Trust Co	OH
The Celina Mutual Insurance Company	OH
The Lafayette Life Insurance Company	OH
The National Mutual Insurance Company	OH
The Prudential Insurance Company of America	NJ
The Savings Bank Life Insurance Co of MA	MA
The State Life Insurance Company	IN
The United States Life Insurance Company	NY
The Variable Annuity Life Insurance Company	TX
Tokio Marine Specialty Insurance Company	PA
Transamerica Life Insurance Company	IA
Transamerica Premier Life Insurance Co	IA
Trinity Universal Insurance Company	TX
Truman Insurance Company LLC	MO
Trustmark Insurance Company	IL
Tuebcor Captive Insurance Company LLC	MI
United Farm Family Life Insurance Company	IN
United Farm Family Mutual Insurance Co	IN
United Fire & Casualty Company	IA
United Funeral Benefit Life Insurance Co	OK
United Funeral Directors Benefit Life Insurance.	TX
United Insurance Company of America	IL
United Life Insurance Company	IA

# Insurance Members – All FHLBanks

Customer Name	State
United Missouri Insurance Company	AZ
United of Omaha Life Insurance Company	NE
United Ohio Insurance Company	OH
United Property and Casualty Insurance Company	FL
Universal Fidelity Life Insurance Company	OK
Universal Guaranty Life Insurance Company	OH
Unum Life Insurance Company of America	ME
Upland Mutual Insurance, Inc.	KS
USAA Life Insurance Company	TX
Vantislife Insurance Company	CT
Vermont Mutual Insurance Company	VT
Victor Coverage, LLC	MI
Voya Insurance and Annuity Company	IA
Washington National Insurance Company	IN
Wayne Mutual Insurance Company	OH
West Bend Mutual Insurance Company	WI
Western American Life Insurance Company	TX
Western National Mutual Insurance Company	MN
Western Southern Life Assurance Company	OH
Western United Insurance Company	IN
Westfield Insurance Company	OH
Williamsburg National Insurance Company	MI
Wilton Reassurance Company	MN
Wisconsin Physicians Service Insurance Corporation	WI
Wolverine Mutual Insurance Company	MI
Woodmont Insurance Co., LLC	MO
Woodward Insurance, LLC	TN



# Federal Home Loan Bank Funding Strategies for Insurance Companies



