



KAREN WELDIN STEWART
INSURANCE COMMISSIONER

December 3, 2012

Via Electronic Mail (Neil.Crowley@fhfa.gov)

Mr. Neil R. Crowley
Deputy General Counsel
Federal Housing Finance Agency
Eighth Floor, 400 7th Street SW
Washington, D.C. 20024

Re: Advisory Bulletin on Collateralization of Advances and Other Credit
Products Provided by Federal Home Loan Banks to Insurance Company
Members No. 2012-N-14

Dear Mr. Crowley:

The purpose of this letter is to inform the Federal Housing Finance Agency that the Delaware Department of Insurance now submits a placeholder comment regarding the above referenced ANPR. The placeholder comment would be to extend the submission of comments from the Delaware Insurance Department until 5:00 P.M. EST on December 7, 2012. The reason for this placeholder comment is that the Delaware Insurance Department would like to add to its comments information about a newly formed working group titled *Federal Home Loan Bank Legislative Working Group*. On November 30, 2012 the National Association of Insurance Commissioners Receivership and Insolvency Task Force formed the new working group whose purpose is to consider legislation that,

- (A) Provides that the FHLBanks are not subject to a stay or prohibited from exercising their rights to collateral pledged to them by an insurance company borrower who becomes subject to an insolvency proceeding; and
- (B) Excludes the FHLBanks from the voidable preference provision of the insolvency statute.

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Since the Advisory Bulletin considers the risk characteristics of insurers under receivership law, the formation of this working group is germane to Delaware's comments. This is especially so because Commissioner Stewart is the vice chair of the Receivership and Insolvency Task Force, and the Delaware Insurance Department will play an important role in the newly formed working group.

Thank you for considering this letter and you may contact me at 302-222-7181.

On Behalf of the Commissioner,



Steve Kinion
Director
Bureau of Captive and Financial Insurance Products

Cc: Mr. Joseph A. McKenzie, Associate Director, Division of Bank Regulation, Bank Analysis Branch (Joseph.McKenzie@fhfa.gov)

Mr. Thomas Doolittle, Senior Financial Analyst, Division of Bank Regulation, Bank Analysis Branch (Thomas.Doolittle@fhfa.gov)