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February 8, 2021

The Honorable Delores Kelley  
Chair, Senate Finance  
Miller Senate Office Building  
3 East  
Annapolis, MD 21401

**RE: Senate Bill 458 – Federal Home Loan Bank Legislation**

Dear Chair Kelley:

The American Council of Life Insurers (ACLI) is a Washington, D.C. – based trade association with 280 member companies operating in the United States and abroad. ACLI advocates in federal, state, and international forums for public policy that supports the industry marketplace and the 75 million American families that rely on life insurers' products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, long-term care and disability income insurance, and reinsurance, representing more than 94 percent of industry assets and premiums. Specifically, each day, life insurers pay out \$36.3 million in life insurance and annuities to Maryland families and businesses.

The ACLI urges you to support Senate Bill 458 regarding Maryland's receivership laws. The legislation would amend your state's receivership laws to:

- (1) Provide greater certainty to a Federal Home Loan Bank (FHLB) with regard to its collateral through specific exemptions to the state's "stay" and voidable preference" provisions;
- (2) Eliminate the need for increased collateral requirements by the FHLB on its insurer borrowers; and
- (3) Result in continued, and possibly expanded, FHLB lending to insurers.

Access to FHLB funding is an important source of liquidity for many life insurers during both stable and uncertain economic times and should be maintained. This bill would benefit domestic insurers and their policyholders and is modeled after other state statutes that have been recently enacted. Without such legislation, a FHLB could reduce the amount it lends to its member insurers and/or offer less favorable lending terms.

Sincerely,



Michelle Carroll Foster

Cc: Senate Finance Committee Members

American Council of Life Insurers | 101 Constitution Ave, NW, Suite 700 | Washington, DC 20001-2133

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The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's 280 member companies represent 94 percent of industry assets in the United States.