



Bank Seeks to Expand Insurance Company Membership

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—Edward A. Hjerpe III

WHILE DEPOSITORY INSTITUTIONS have long recognized the value of membership in the Federal Home Loan Banks, insurance companies only recently have begun to see how participation in the Banks can benefit their business.

In response to their growing interest in tapping the benefits of membership, the Federal Home Loan Bank of Boston has initiated a new effort to bring more insurance companies into the fold.

“Insurance companies represent a significant avenue for growth in Bank membership,” says Edward A. Hjerpe III, the Bank’s president and chief executive officer. “And growth in Bank membership means a stronger institution and added benefits for all members.”

Although insurance companies have been eligible for membership since the Federal Home Loan Banks were created, it has only been in the last 10 years that the number has increased significantly. “Insurance company members today have

more than \$50 billion in advances throughout the 12 FHLBanks,” says M. Susan Elliott, executive vice president/chief business officer at the Bank. “The Bank currently has 27 insurance members and is in the process of adding several more.”

Like other members, insurance companies pursue Bank membership to support a broad range of funding strategies. “The primary benefit of Bank membership for insurance companies is access to lower-cost funding through all economic cycles,” says Matthew Stewart, vice president/relationship management for insurance company members. “Depending on whether they are looking to do short- or long-term advances, members can save a significant number of basis points right now.”

In addition to supporting liquidity needs, insurance companies also stand to benefit from the Bank’s community-focused lending and grant programs, including the Community Development

advance and the Affordable Housing Program. “Insurance company members are eligible to participate in these programs designed to help members make a positive impact on their communities,” Mr. Stewart adds.

In recent weeks, Mr. Stewart has been meeting with current and prospective insurance company members. “The big challenge is making the region’s insurance industry aware of our products, how easy they are to use, and how beneficial they can be to the company’s financial strategies,” he says. “We’re working to make the membership process as easy as possible for these institutions.”

New England has traditionally been home to some of the nation’s largest and most successful insurance firms. “Hartford was once known as the insurance capital of the world,” notes Mr. Stewart. “Today, insurance continues to be a very strong and viable local industry.” ■



Matthew Stewart

Matthew Stewart Joins Bank as Relationship Manager

Matthew Stewart has joined the Federal Home Loan Bank of Boston’s Member Services team as vice president/relationship management.

Mr. Stewart, who will lead the Bank’s business development efforts in the insurance sector, notes that insurance-member advances for the Federal Home Loan Bank System have expanded by 400 percent in the last 10 years.

“This is a growing area for the Bank and one that we certainly want to focus on,” Mr. Stewart says. “By hiring dedicated resources, the Bank can provide better support and help the region’s many outstanding insurance companies benefit from our low-cost funding products.”

In addition to his work with the Bank’s insurance sector, Mr. Stewart will also serve as relationship manager for a number of depository members.

Mr. Stewart previously held executive positions at Liberty Mutual Insurance and Prudential Insurance. He holds an M.B.A. from Babson College, a B.A. in economics from the University of New Hampshire, and CPCU, CLU, and FLMI insurance-industry designations. ■