

HDI GLOBAL INSURANCE, JAMES CLARK

Proposal and Comment Information

Title: Regulatory Capital Rule: Category I and II Banking Organizations, Banking Organizations with Significant Trading Activity, and Optional Adoption for Other Banking Organizations, R-1887

Comment ID: FR-2026-0007-01-C82

Submitter Information

Organization Name: HDI Global Insurance

Organization Type: Company

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HDI Global



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June 18, 2026

Benjamin W. McDonough, Secretary

Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551
Email: publiccomments@frb.gov

Docket Nos. 1887, R-1888

RINs 7100-AH20, 7100-AH21

Jennifer M. Jones, Deputy Executive Secretary

Attention: Comments/Legal OES (RIN 3064-AF29)
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20429
Email: comments@FDIC.gov

RINs 3064-AF29, 3064-AG23

Chief Counsel's Office

Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street, SW, Suite 3E-218
Washington, D.C. 20219
Docket IDs OCC-2026-0265, OCC-2026-0034
RINs 1557-AF52, 1557-AF49

Re: (i) Regulatory Capital Rules: Category I and II Banking Organizations, Banking Organizations with Significant Trading Activity, and Optional Adoption for Other Banking Organizations (the "ERBA Proposal"); Response to Question 51; and (ii) Regulatory Capital Rules: Regulatory Capital and Standardized Approach for Risk-weighted Assets (the "Standardized Proposal"); Response to Question 22

Dear Ladies and Gentlemen:

HDI Global Insurance supports the positions set forth by the International Trade and Forfeiting Association and the International Association of Credit Portfolio Managers in their joint comments on Question 22 of the Standardized Proposal and Question 51 of the ERBA Proposal.

HDI Global Insurance believes that the final rules should include adjustments that provide for broader recognition of providers of credit insurance and similar risk transfer arrangements for purposes of risk weight substitution, consistent with their risk profile and the prudential safeguards they are subject to. A clear and appropriately risk-aligned capital framework that recognizes the financial strength of insurance operating companies along with the market-validated strength of the consolidated group (as reflected by parent-issued debt) would facilitate the prudent use of these tools as part of sound credit risk management practices and support their broader application in enhancing portfolio diversification and lending capacity.

The current eligible guarantor requirements effectively preclude recognition of many well-established credit insurance arrangements. As a result, this constrains the use of tools that support sound lending, portfolio diversification, and prudent risk management. Highly rated and prudentially regulated insurance entities should therefore be eligible for recognition where they provide credit protection and demonstrate their financial capacity to perform on their obligations on a stand-alone basis as well as through debt securities issued by their parents or holding companies. Survey results indicate that more than 90% of participating large U.S. and U.S. Subsidiary banking institutions would have interest in

executing transactions with insurance companies for credit risk mitigation if the eligible guarantor definition were clarified to recognize well-capitalized insurers as eligible guarantors.¹

Accordingly, we urge the Agencies to adopt the recommendations set forth in the ITFA/IACPM joint response to ensure a clear, workable, and appropriately risk-aligned framework for providers of credit insurance and similar products.

Sincerely,



James Clark

Chief Executive Officer

HDI Global Insurance Company

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¹ IACPM survey of US Banks and US Subsidiary Bank members conducted May 28, 2026; respondents were among the 30 largest U.S. banking institutions.