



July 31, 2009

Joseph Fritsch
Chairman
NAIC Statutory Accounting Principles Working Group
25 Beaver Street
New York, New York 10004

Dear Mr. Fritsch:

We are writing to support the adoption of SSAP 43R. We commend the Statutory Accounting Principles Working Group and staff for seeking a rational valuation methodology that is consistent with both regulatory concerns and the way that insurers generate value from this important area of investment.

We have reviewed the ACLI comment letter and agree with the issues raised and their proposed solutions. We would like to emphasize one comment: the standard for impairment in SSAP 43R should be consistent with INT 06-07. This would promote consistency with other financial instruments, and given the probable wholesale replacement of these areas in U.S. and international GAAP, facilitate consideration and possible adoption of new guidance consistent with the soon to be revised standards. We therefore agree with the recommendation to delete paragraph 19 of the proposal.

We also ask the Working Group to consider a revision to its adoption and transition schedule. While we acknowledge the regulatory interest in this critical area, there are insurers with significant holdings that do not issue reports based on U.S. GAAP. The policy and systems adjustments for these companies will be quite difficult for a September 30 implementation date. We ask the Working Group to consider September 30 as a date for optional early adoption, with required adoption at year-end 2009. We also ask that the disclosures be required for the annual statement as opposed to quarterly, consistent with other financial instruments disclosures.

Sincerely,

A handwritten signature in black ink that reads "Kevin Spataro". The signature is written in a cursive, slightly slanted style.

Kevin A. Spataro
Chairman, GNAIE Accounting Convergence Committee

CC: John Tittle, NAIC

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