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October 16, 2008

Technical Director
Financial Accounting Standards Board
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Via: e-mail to director@fasb.org

File Reference: Proposed FSP FAS 140-e and FIN 46(R)-e

Dear Technical Director:

The Group of North American Insurance Enterprises (GNAIE)¹ appreciates the opportunity to offer our comments and observations on the Financial Accounting Standards Board's ("FASB") Proposed FASB Staff Position No. FAS 140-e and FIN 46(R)-e Disclosures about Transfers of Financial Assets and Interests in Variable Interest Entities (the "proposed FSP").

GNAIE is supportive of the FASB's efforts to improve and enhance the accounting, reporting and disclosure of transfers of financial assets and interests in variable interest entities. However, concerns exist regarding the reasons, scope and timing of the proposed FSP.

One of the reasons given in Appendix E for issuing the proposed FSP, is "to improve compliance, transparency and enforcement" by enhancing numerous disclosures already required by U.S. GAAP and incorporating them into Statement 140 and Interpretation 46(R). New guidance should not be issued for the purpose of addressing the lack of compliance and enforcement of disclosures already required by U.S. GAAP. The resulting overlap of requirements in several pieces of guidance increases the complexity of reporting without improving transparency. This is especially true if the transparency problems were the result of failed compliance and enforcement of existing requirements rather than actual inadequacies in the guidance.

¹ GNAIE consists of the Chief Financial Officers of 18 leading insurance companies including life insurers, property and casualty ("non-life") insurers, and reinsurers. GNAIE members include companies who are the largest global providers of insurance and substantial multi-national corporations. All are major participants in the US markets.

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Further, Appendix E states that the FSP will be superseded when the proposed amendments to Statement 140 and Interpretation 46(R) are effective. As with any interim or temporary solution, there is the risk that companies will expend significant effort to comply with the new requirements only to see the requirements change soon thereafter. We therefore encourage the FASB to defer any further changes to disclosures and incorporate them into the pending amendments to Statement No. 140 and Interpretation No. 46(R).

Lastly, because the FSP increases the population of entities and transfers that must be evaluated as well as the data points required to be gathered on that increased population, the incremental work is significant. Meeting the entirety and complexity of the disclosures in the proposed FSP will require more operational effort and time to implement than is being contemplated by FASB. Issuing guidance in the same quarter in which it is effective, especially when the quarter is also a year end, simply does not allow for enough time to implement. The operational pressure of meeting specific requirements of the proposed FSP, in light of additional disclosures already required for year end, could cause delays in reporting exactly when timely reporting is paramount to users.

If you have any questions or need clarification concerning any matter addressed in this letter, please contact Doug Barnert at doug@barnert.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry de St. Paer". The signature is written in a cursive, flowing style.

Jerry de St. Paer
Executive Chairman, GNAIE

JdSP: DC: cll