



Ronald M. Olejniczak, CPA  
Vice President and Controller

OlejniczakR@aetna.com  
tel: 860-273-7231  
fax: 860-273-8087  
151 Farmington Avenue, RT21  
Hartford, CT 06156

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Ms. Suzanne Bielstein  
Director of Major Projects and Technical Activities  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

LETTER OF COMMENT NO. 103

Re: File Reference No. 1025-300

Dear Ms. Bielstein:

Aetna Inc. ("Aetna") appreciates the opportunity to provide you with our views on the Financial Accounting Standards Board's (the "Board") Proposed Statement of Financial Accounting Standards, "*Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans; an Amendment of FASB Statements No. 87, 88, 106 and 132(R)*" (the "Proposed Standard"). We sponsor certain noncontributory defined benefit plans, including two pension plans that cover substantially all of our employees and other post-retirement ("OPEB") plans that provide certain health care, dental and life insurance benefits for retired employees.

We support the Board's efforts to improve the clarity and transparency of financial reporting and disclosure of pension and OPEB plans. We understand the difficulties surrounding the accounting for these benefit plans and appreciate the measured path the Board has taken with the more difficult concepts in this area, the deliberation of which will take place as the second phase of this project. We believe reporting the current funded status (i.e., the over or under funded status) of defined benefit plans on a company's balance sheet would provide more complete and useful information to our financial statement users. However, we do not believe requiring the measurement of the plan assets and plan obligations as of the year end balance sheet date, rather than a measurement date that is up to three months before its fiscal year end, would achieve such results. For reasons cited below, we disagree with this aspect of the Proposed Standard and suggest it be removed. Furthermore, we are concerned with the limited implementation period being proposed and would encourage the Board to reconsider the effective date.

### Measurement Date

*We use a measurement date of September 30 for our pension and OPEB plans, which is within three months of our fiscal year end. Recognizing that these benefit plans are long-term obligations that require modeling of benefit payments over several decades, we believe there would not be a material difference between the funded status calculated at December 31 and that calculated at September 30. On the other hand, we believe there will be substantial implications to changing our measurement date to December 31 including: lack of timely access to the funded status information and subsequent year projected expense and limited access to both actuarial resources to perform calculations and to information required in measurement-date calculations.*

As a public company, we strive to complete our financial statement close process (including both the income statement and balance sheet) in a matter of days from quarter and year end. Using a September 30 measurement date allows us to fully understand the funded status of the plan as well as the projected expense for the following year before we complete our fourth quarter financial statement close process. We typically work with our internal staff and actuarial consultants to thoroughly *analyze our actuarial assumptions and calculations both before and after our September 30 measurement date.* Our deliberate measurement date process takes several weeks after September 30 to conclude before we provide data to our auditors. We believe this process provides a higher degree of precision and understanding of our pension and OPEB plan accounting results and allows adequate time for our auditors and management to perform appropriate testing on the controls and resulting calculations. We are concerned that if we move to a December 31 measurement date, the pressure to complete these steps in our normal closing process will result in less effective analysis and increased risk of error.

Also, as a diversified health benefits company, we offer a broad range of traditional and consumer-directed health insurance products. Many of our products are priced as one-year contracts and most are sold to customers several months before the effective policy period. In establishing our pricing strategy, we forecast our expenses, including the annual benefit plan costs. Using a September 30 measurement date allows us to better consider the following year's projected pension and OPEB expense in our pricing plans *for those customers who renew early in the following year.*

We are also concerned with the availability of appropriate actuarial talent to assist us in our calculations if a large number of companies switch to a December 31 measurement date. We believe the actuarial consultants will be pressured from their public company clients to complete the year end analyses and the resultant workload will add to the risk of errors. We understand from our auditors and survey's that approximately 35 to 40% of companies utilize a measurement date that is within three months of year end.

Finally, the information required to complete the measurement of plan obligations and plan assets may not be available or complete in the shortened timeframes we anticipate for companies using a December 31 measurement date. For example, updated census data, final audited plan asset information and discount rates calculated using projected

cash flows may not be available for up to two weeks after the measurement date, which would result in further delay to our financial statement close process.

We do not understand the rationale for the change in measurement date proposed, and strongly disagree that the benefits outweigh the "costs" (i.e., issues) of requiring the measurement of pension and OPEB plan assets and obligations as of the balance sheet date. Further, pension and OPEB liabilities are long-term obligations, which are unlikely to change significantly in the 90 day measurement window currently allowed. We believe that the determination of these obligations as of a date no more than 90 days before year end provides an acceptable and accurate determination of these assets and obligations, and the related operational benefits of an earlier measurement date outweigh any benefits derived from a later measurement date. Therefore, we request that the Board continue to allow companies to use a measurement date that is not more than three months prior to the fiscal year end date, as allowed by the current standards.

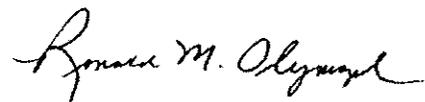
**Implementation Period**

Based on the Board's project summary, we understand the final standard is expected to be released in September 2006, with an effective date of December 31, 2006 (for calendar year end companies). We do not believe this provides adequate time for implementation. Specifically, we have certain arrangements that require compliance with financial covenants that are based on a measure of shareholders' equity. Currently, these agreements contain specific exclusions for the effects of minimum pension liability adjustments required under Statement of Financial Accounting Standard No. 87. Were we to update these agreements to exclude the impact on shareholders' equity for the adjustments required by the Proposed Standard, we would need adequate time before the provisions are effective to ensure the requisite language is included in these agreements. As a result, we ask that the FASB consider delaying the proposed effective date of a final standard to allow updates to agreements such as these to take place.

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We appreciate your consideration of our views on the Proposed Standard. We would be pleased to discuss our comments further with you or members of your staff. If you have any questions regarding this letter, please feel free to contact me.

Sincerely,



Ronald M. Olejniczak  
Vice President and Controller