

BANKERS' BANK

7700 Mineral Point Road
Madison, WI 53717



LETTER OF COMMENT NO. 68

Thank you for the opportunity to comment on the above issue. Please note that my comments relate not only to implications on Bankers' Bank directly, but more importantly, also to any of the 850 banks we serve in 12 states who may have such arrangements. I must point out initially, and primarily, that the capital impact created by such considered accounting treatment would be devastating to a number of these institutions and/or may result in immediate accounting treatment by other institutions which may not be in the best interests of their shareholder base. I am opposed to proposed treatment for the following reasons:

- 1) There is no Employer liability under current arrangements. The life insurance carrier is obligated to the beneficiary at the time of death of the bank employee. At no time is there a contractual obligation upon the bank to make such payment.
- 2) Upon such "death" payment, there is never an economic benefit to the bank. Again, the contract exists between the carrier and the beneficiary. Why present "creative accounting" for an event that never occurs?
- 3) The potential capital impact on the bank to record such liabilities, according to the proposal is immediate (1/1/07), and would be a tremendous negative impact on the balance sheets of the majority of the institutions affected. At a minimum, this entire discussion should be postponed to enable a clear and effective review of proper handling.
- 4) The two most important events, or obligations, in life are that: 1) We must pay taxes, and 2) Ultimately, we will die. This very fact makes a clear point that the carrier will at proper time make payment to the beneficiary. Why are we being asked to fund an accrual for an event that has an absolute, guaranteed closure? I fail to see the logic in such thinking.
- 5) Finally, I certainly appreciate and respect the goal of proper accounting to accurately reflect the asset/liabilities of institutions. This proposal would create artificial liabilities that would never come to fruition. I sincerely encourage the EITF and FASB to step back and have positive discussions with the industry leaders who have, for many years, created this structure in a manner which benefits everyone fairly within established guidelines.

Thank you for your attention to my comments.

Sincerely,

Ronald L. Slater
President / CEO

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