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Sent via email to director@fasb.org

December 30, 2008

Technical Director – File Reference: Proposed FSP EITF 99-20-a Financial Accounting Standards Board 401 Merritt 7 PO Box 5116 Norwalk, CT 06856-5116



LETTER OF COMMENT NO. 240

RE: File Reference: Proposed FSP EITF 99-20-a

Genworth Financial appreciates the opportunity to comment on the proposed FASB Staff Position (FSP), Amendments to the Impairment and Interest Income Measurement Guidance of EITF Issue No. 99-20 ("EITF 99-20-a").

Genworth Financial is a leading global financial security company dedicated to developing products and services to help meet the investment, protection, retirement and lifestyle needs of over 15 million customers, with a presence in 25 countries. As a financial security company, we hold significant investments in debt securities that are classified as available-for-sale in accordance with FASB Statement No. 115 ("FAS 115") and, accordingly, are subject to other-than-temporary impairment. Additionally, a sub-set of our available-for-sale securities are beneficial interests that are within the scope of EITF Issue No. 99-20 ("EITF 99-20") hence we regularly apply the EITF 99-20 impairment model.

The current EITF 99-20 impairment model places reliance on a holder's estimate of cash flows that a market participant would use in establishing the current fair value. Over the past year, as the market for these securities became dislocated and market participants moved away from the consideration of contractual cash flows toward distressed valuation models, the EITF 99-20 impairment model no longer produced relevant and reliable results. The current market for beneficial interests is illiquid with limited numbers of participants holding divergent views about expected cash flows and minimal market activity to serve as benchmarks. These conditions create an environment where a wide range of market expectations drive EITF 99-20 impairment conclusions that are inconsistent with the FAS 115 impairment model utilizing all available evidence. Therefore, we applaud the Board for identifying the fundamental flaw in the current EITF 99-20 impairment model when a market becomes dislocated and support the Board's decision to address it through revised guidance.

We agree with the Board's decision to subject all debt securities classified as available-for-sale or held-to-maturity to the same impairment model laid out in Paragraph 16 of FAS 115. With regard to the Board's question on whether the presence of prepayment risk warrants a different impairment

model, we believe that the presence of prepayment risk does not require a separate impairment model. Rather, the probability of prepayments must be considered as a factor when applying judgment about the existence of other-than-temporary impairment.

Further we believe the impairment model contained in FAS 115 is operational for all debt and equity securities. This position is built on the foundation that other-than-temporary impairment is based on judgment using all available evidence to evaluate the realizable value of such investments. In fact, we believe our opinion aligns with that of the Securities and Exchange Commission ("SEC") Staff Accounting Bulletin No. 59, Other than Temporary Impairment of Certain Investments in Debt and Equity Securities [codified as Topic 5-M]. Therein, the SEC indicated there are numerous factors to consider including the length of time and extent to which market value has been below cost; financial condition and near-term prospects of the issuer; and the intent and ability of the holder to retain the investment until recovery of value. It is our opinion that holders of financial instruments currently subject to the impairment model contained in EITF 99-20 possess capabilities necessary to consider available evidence and to demonstrate conclusions reached in accordance with the impairment model contained in FAS 115.

We appreciate the Board's recognition that it is inappropriate to maintain an impairment model that does not allow consideration of all evidence, including evidence supporting a realizable value equal to or greater than the carrying value of the investment. While many may attempt to persuade the Board to delay addressing this issue until future periods, we urge the Board to continue treating this issue as an urgent matter that must be resolved for the Fourth Quarter 2008 reporting period. Therefore, we strongly support the prospective application effective October 1, 2008 and respectfully ask the Board to take all steps necessary to conclude on this matter in the proposed timeframe. We believe that these changes can be implemented swiftly and provide meaningful change to address accounting for fixed income securities in the fourth quarter.

In addition to the Board's proposed amendments, we appreciate the Board's commentary in paragraph 5.b. of FSP EITF 99-20-a about the circumstances under which EITF 99-20 is to be applied to beneficial interests. Because we believe there are inconsistent interpretations about whether the scope is determined only at original issue or if beneficial interests are to be reassessed each reporting period, we would appreciate the addition of clarifying language in the scope section of the final FSP EITF 99-20-a.

We encourage the Board to consider any technical cross-references to other FASB pronouncements. For example, footnote 21c of FSP FAS 157-3 indicates that the discount rate adjustment technique for determination of fair value is inappropriate for consideration of impairments under EITF 99-20. Given that the FAS 115 impairment model permits the use of reasonable management judgment of the probability that the holder will be unable to collect all amounts due, we question whether footnote 21c of FSP FAS 157-3 is contradictory to the intent of the FASB to create one impairment model for similar securities. We ask the Board to consider whether technical cross-references exist that may introduce interpretations of FSP EITF 99-20-a that do not align with Board's intentions.

As proposed, we expect that it is the Board's intention to allow holders of beneficial interests to use reasonable judgment, including judgment about the probability of being unable to collect

contractual cash flows, in the determination of other-than-temporary impairment on securities within the scope of EITF 99-20. These probable cash flows may differ from cash flows used by market participants under current market conditions in the determination of fair value/exit price such that the implied market yield of these probable cash flows is significantly higher than would be expected under any historical context. While this implied market yield may be one piece of evidence to consider in the determination of other-than-temporary impairment, all available evidence of expected future performance should be considered in concluding about whether or not it is probable that the holder will not collect all amounts due. We ask the Board to consider commentary regarding this issue in the context of determining the existence of other-than-temporary impairment.

We appreciate the opportunity to comment on the proposed FSP. If there are any questions regarding the content of this letter or you wish to discuss our comments and recommendations, please contact Brad Anderson at (804) 662-7726 or Rich Wiernasz at (804) 922-5582 or myself at (804)-662-2685

Sincerely,

/s/ Amy R. Corbin

Amy R. Corbin Vice President and Controller