



CHUBB

THE CHUBB CORPORATION

15 Mountain View Road, P.O. Box 1615, Warren, New Jersey 07061-1615

January 19, 2009

Russell G. Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116



LETTER OF COMMENT NO. *66*

Re: File Reference: Proposed FSP FAS 107-a

Dear Mr. Golden:

The Chubb Corporation is a holding company with subsidiaries principally engaged in the property and casualty insurance business (collectively, the Corporation). We appreciate the opportunity to respond to this proposed FASB Staff Position (FSP), which would amend the disclosure requirements in FASB Statement No. 107, Disclosures about Fair Value of Financial Instruments. At September 30, 2008, the Corporation held \$33 billion of available-for-sale debt securities and, accordingly, the proposed FSP would affect the Corporation's 2008 financial statements. The Corporation is generally not a holder of loans and other receivables so our comments will not specifically address issues related these financial assets.

The extremely short comment period associated with this proposal may not allow sufficient time for all of those who wish to fully analyze it and provide meaningful feedback. Rather than address this one aspect of disclosure through this accelerated exposure period, the Board should consider the issue through its traditional due process method as part of its larger project on financial instruments.

We recognize the challenge faced by the FASB and the IASB to continue to develop useful accounting and disclosure requirements for financial instruments, including addressing the recognition of impairment for such instruments. However, we believe the proposed FSP, which would require the disclosure of pro-forma income from continuing operations (on two bases), would be confusing to most users of financial statements. We also believe that for many companies, including the Corporation, some of the information needed to prepare the disclosures is not readily available, that companies would require significant system support and other resources to prepare the information and that the cost of providing the information over the long term may exceed the benefit to users.

We do not believe that the proposed information about the fair value of debt securities provides additional decision-useful information to the users of financial statements. FASB Statements No.107 and No. 115 already require significant disclosures related to the fair value of these financial instruments. We believe that as a matter of policy it would be inappropriate to assert in the footnotes that if the change in the value of these financial instruments were treated under alternative methods, income could be one of two other amounts. While the indicated objective of the proposed FSP is to increase the comparability of information about financial assets that have related economic characteristics but different reporting measurement attributes, the proposal introduces a flawed precedent of including alternative income measurements within the financial statements.

The expectation that calendar year end companies could fully and accurately comply with the disclosure requirements under the proposed FSP in their 2008 financial statements is not a reasonable expectation. The Corporation does not currently calculate an "incurred loss" amount for each of its security positions. The information that would be needed to calculate the incurred loss amount by security is not readily available and our investment system is not designed to calculate these values. A manual effort to assemble the information would be unmanageable and may not be able to reflect the control rigor typically attached to other information included in our filings.

We would be pleased to discuss our comments and recommendations with members of the Board or its staff.

Very truly yours,

John J. Kennedy
Senior Vice President and
Chief Accounting Officer