

James M. Olsen Director, Insurance Accounting and Investment

March 31, 2009

**Technical Director FASB** 401 Merritt 7 PO Box 5116 Norwalk, CT 06856-5116

LETTER OF COMMENT NO. 271

Via email: director@fasb.org

Reference: Proposed FSP FAS 157-e: Guidance on Whether a Market Is Active and A Transaction Is Not

Distressed

Dear Technical Director:

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on the above referenced FSP. PCI is a full-service property casualty insurance trade association, with over 1,000 members writing over \$178 billion in direct written premiums, over 35 percent of the U.S. property/casualty insurance market. Many of our members are publicly-traded companies that file GAAP financial statements.

We commend the Board for its efforts to improve the implementation guidance for fair value measurements during this difficult time.

We believe the proposed changes to the guidance provided in FSP FAS 157-e will improve the financial reporting of fair value in an inactive and distressed market. The two step model for determining whether a market is not active and a transaction is not distressed appears to be understandable and fosters the intended use of professional judgment in fair value measurement. The factors listed in the FSP that indicate a market is not active are appropriate.

However, the effective date for interim and annual periods ending after March 15, 2009 creates an operational problem for many companies. We suggest the effective date be changed to reporting periods beginning after June 15, 2009, at the earliest, with early adoption permitted. Given the fact that the final decision won't be made regarding this proposal until after April 1, many companies may need additional time to gather the information required for implementing this new guidance.

If you have any questions, please contact me at your convenience.

Sincerely

James M. Olsen