

FRANK KEATING
PRESIDENT & CHIEF EXECUTIVE OFFICER



November 2, 2004

Letter of Comment No: 157A
File Reference: EITF03-1A

Mr. Robert H. Herz, Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Dear Bob:

As you are undoubtedly aware, the American Council of Life Insurers (ACLI) has closely followed the activity of the Emerging Issues Task Force Issue 03-1, The Meaning of Other-Than-Temporary Impairment (EITF 03-1). When the final EITF 03-1 guidance was issued, life insurers were generally pleased with the conclusions reached. However, the manner in which some of the major accounting firms have interpreted this new guidance is somewhat inconsistent with the interpretation by life insurers and has caused serious concerns within our member company community.

On behalf of my board of directors, I applaud the FASB Board for directing its staff to prepare FSP EITF Issue 03-1-a (FSP) regarding the clarification of EITF Issue 03-1. The final guidance issued with this FSP could have far-reaching implications on the financial statements of life insurers as well as how life insurers manage their investment portfolios.

The ACLI has submitted a comment letter on the FSP, and I hope that the Board will seriously consider the recommendations that we have made. ACLI staff and our member companies are committed to providing any assistance to the Board and your staff that you may deem necessary.

I appreciate the opportunity to comment on this extremely important issue.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Frank Keating'.

Frank Keating

cc: Paul Graham, ACLI
Jim Renz, ACLI