CUNA MUTUAL GROUP
CUNA Mutual Insurance Society

October 7, 2003

Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
c/o TA & I Director - File Ref. 1025-200
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Letter of Comment No: 12
File Reference: 1025-200
Date Received: 10/7/03

Dear Sir:

Thank you for the opportunity to provide our comments on the recently issued Exposure Draft regarding FASB statements 87 and 132 (file reference No. 1025-200). CUNA Mutual Group provides actuarial and administrative services for approximately 1,100 defined benefit plans covering approximately 29,000 plan participants in the credit union marketplace.

In expressing our comments, we are representing the interests of the credit unions we serve. Many of our credit union clients are very small and the exposure draft would impose new requirements that would result in additional expense to our clients. Therefore, we want to make sure the incremental value resulting from the charge equals or exceeds the expense associated with the change.

In that vein, we strongly feel small plans should be exempt from the requirement to calculate projections of expected benefit payment cash flows. The value gained from these projections is highly suspect for a small plan since benefit payments are highly variable from year to year, and in most small plans, the majority of the liability is concentrated in one or two participants. Therefore, a projection of benefit payments would be highly misleading since only a fraction of this liability would be projected to be paid out, when in reality, the situation would be either a very large lump sum would be paid out or nothing at all.

We also feel that the effective date of this amendment to the FASB standards should be pushed back one year to allow time for administrative firms to digest

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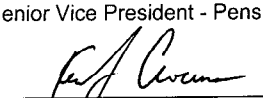
the changes and make the necessary changes to their systems and communicate them to clients and auditors.

Sincerely,

Thomas R. Eckert, FSA, MAAA, EA
Senior Vice President - Pension Operations



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