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Joseph J. Prochaska, Jr
Executive Vice President and
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January 23, 2009

Via Electronic Mail to: director@fasb.org
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
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LETTER OF COMMENT NO. 17

Re: File Reference: Proposed FSP FAS 144-d
Exposure Draft of Proposed FASB Staff Position
Amending the Criteria for Reporting a Discontinued Operation

Dear Technical Director:

MetLife, Inc. ("MetLife") appreciates the opportunity to respond to the referenced exposure draft ("Proposed FSP"). MetLife is a leading life insurance company and large institutional investor. Under current accounting guidance, we have reported various activities, including the dispositions of real estate, as discontinued operations. We commend the Financial Accounting Standards Board ("FASB" or "Board") on its goal of developing a converged definition of a discontinued operation and related disclosure requirements that would reduce complexity and result in relevant activities being classified as discontinued operations, yet continue to provide useful information to users of financial statements.

The attached responses address the specific questions included in the Proposed FSP.

Please contact me if you have any questions regarding our responses.

Very truly yours,

cc: Sandra J. Peters
Vice President & Corporate Controller

Robert C. Tarnok
Vice President - Technical Accounting Services Unit

MetLife's Responses to Questions in Notice for Recipients and Other Comments on the Proposed FSP's Provisions

Definition of a Discontinued Operation

1. The proposed FSP would amend the definition of a discontinued operation so that a discontinued operation is a component of an entity that is (a) an operating segment (as that term is defined in FASB Statement No. 131, Disclosures about Segments of an Enterprise and Related Information) and either has been disposed of or is classified as held for sale or (b) a business (as that term is defined in FASB Statement No. 141 [revised 2007], Business Combinations) or a nonprofit activity that meets the criteria to be classified as held for sale on acquisition. Do you agree with the proposed definition of a discontinued operation? Why or why not? If not, what definition would you propose and why?

MetLife believes that the proposed definition of a discontinued operation will reduce complexity. Specifically, it will eliminate the application of the definition to dispositions of real estate investments. As required under Paragraph 42 of Statement of Financial Accounting Standards No. 144 ("SFAS 144"), MetLife has reported dispositions of real estate as discontinued operations. The existing current definition of discontinued operations under SFAS 144 is not reflective of the manner in which certain institutions, including insurance enterprises, manage real estate operations. Insurance enterprises regularly dispose of real estate properties to geographically reposition their portfolio or to increase or reduce exposure to certain classes of real estate. In some instances, such entities reinvest the proceeds from real estate sales into other real estate projects with comparable future expected earnings. As a result of the application of SFAS 144, the disposed property's results are reported as a discontinued operation while the new property's results are part of continuing operations. Reporting these real estate property dispositions as discontinued operations, and the related historical reclassifications, causes misinterpretation of results by investors and analysts, distorts investment yield calculations, and results in a significant financial reporting burden.

MetLife, and most other diversified investors, actively manages its real estate portfolio as just one component of a total investment portfolio which may include, but is not limited to, securities, mortgages, joint ventures, partnership interests and leases. However, the application of SFAS 144 to real estate dispositions and the resulting reflection of such investments as discontinued operations creates differing accounting treatment for real estate compared to other investment types.

MetLife agrees with and supports the FASB's conclusion that a disposal activity should be presented as a discontinued operation only when an entity has made a strategic shift in its operations. The current definition does not reflect management reporting, which would be more meaningful to users of financial statements. Further, MetLife believes that the development of a common definition of discontinued operations and the related requirement for common disclosures with International Financial Reporting Standards will reduce inconsistencies in reporting and achieve the FASB's goal of producing a single set of high-quality global accounting standards.

Disclosure Requirements

3. Do you agree with the proposed disclosure requirements? Why or why not? If not, what changes would you propose and why?

MetLife supports the proposed disclosure requirements. The disclosure requirements provide useful information regarding sales or disposals of components of entities for investors, analysts, regulators and other users of financial statements.

We do, however, recommend clarification regarding the level of detail and the periods for which the proposed disclosures will be required. The draft language currently states that an entity "...shall disclose in the notes or on the face of the financial statements the following for all components of an entity (except as provided in paragraph 14) in the period in which a component of an entity has been disposed of or is classified as held for sale...". We believe that the intent is for the disclosures to be presented for each period for which an income statement is presented (i.e., classification as held for sale has a balance sheet connotation). We suggest the following wording: "...shall disclose the following, in the notes or on the face of the financial statements, for each component of an entity which either has been disposed of or is classified as held for sale (except as provided in paragraph 14), whether the results of its operations are included in continuing or discontinued operations, for each period for which an income statement is presented:"

4. Under the disclosure requirements, income tax expense or benefit does not have to be calculated and disclosed for components of an entity that are reported within discontinued operations and that have been disposed of or are classified as held for sale. Do you agree or do you believe it would be beneficial to require income tax expense or benefit to be calculated and disclosed for discontinued operations of an entity within continuing operations? If so, how would you calculate and disclose the income tax expense or benefit?

MetLife agrees that income tax expense or benefits should be excluded from the disclosure requirements. The calculation or disclosure of income tax expense or benefit for a discontinued component of an entity would increase complexity and, as it relates to real estate properties, may not reflect the actual tax impact as many times such proceeds are reinvested in other real estate properties and the current tax expense is deferred.

Effective Date

6. Are the effective date and transition provisions sufficient for compiling the information needed? Why or why not? If not, what would you propose and why?

MetLife believes the effective date and transition provisions provide sufficient time to compile the required information.