

333 S. Wabash Ave. Chicago IL 60604

September 07, 2010

Mr. Russell Golden Technical Director Financial Accounting Services Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856 – 5116

Re: File Reference No. 1830-100

Dear Mr. Golden,

Lawrence J. Boysen

Senior Vice President & Corporate Controller Telephone 312-822-5653 Email Lawrence.Boysen@cna.com

CNA Financial Corporation (CNA) appreciates the opportunity to comment on the proposed Accounting Standards Update, *Fair Value Measurement and Disclosures (Topic 820)*. CNA, through its insurance subsidiaries, is the country's 13th largest property and casualty group and the country's 7th largest commercial insurance writer. CNA's insurance products include standard commercial lines, specialty lines, surety, marine and other property and casualty coverages. CNA's services include risk management, information services, underwriting, risk control and claims administration.

We agree with the clarifications within the proposed Accounting Standards Update to conform the fair value measurement guidance between U.S. GAAP and IFRS. However, we disagree with the measurement uncertainty disclosures and do not believe the benefit of the additional disclosures to financial statement users will outweigh the costs incurred by preparers.

CNA uses third party pricing service valuations and broker quotes as important inputs into the majority of our Level 3 valuations. Brokers do not generally provide transparency into their valuation processes and third party pricing services use proprietary methodologies for which we do not have detailed visibility on an individual security basis into the significant assumptions or mechanics of their models. As a result, it is not practical for us to produce reliable measurement uncertainty disclosures using the current level of information that is provided to us. Furthermore, many of our Level 3 valuations relate to securities that are unique as to deal structure and composition of the underlying collateral and it would therefore be impossible to perform the uncertainty analysis in any type of aggregate manner ourselves or with only limited additional information from pricing services and brokers.

We also do not believe the proposed measurement uncertainty disclosures provide users with relevant or useful information. The categorization of a security as a Level 3 instrument already communicates to users that the preparer's valuations for such securities are based on unobservable market inputs therefore uncertainty regarding the valuations is apparent. The quantitative increase or decrease in fair value provides little additional insight into the underlying variability relating to

reasonable valuations than the description of unobservable inputs, which is already required by current guidance.

Finally, for the reasons discussed above, we believe that significant time and resources would be required to prepare the proposed guidance if the Level 3 measurement uncertainty disclosures are included in the final guidance. Therefore, we would request an effective date of 12 months after the guidance is issued if the additional measurement uncertainty disclosures are included. If the Level 3 measurement uncertainty disclosures are excluded from the final guidance, we believe an appropriate effective date would be the first reporting period beginning after the final guidance is issued.

If you have any questions, please feel free to contact me at 312-822-5653.

Sincerely,

Lawrence J. Boysen

Senior Vice President and Corporate Controller