May 15, 2013

Technical Director
Financial Accounting Standards Board
401 Merrit 7
P.O. Box 5116
Norwalk, CT 06856-5116

Subject: File Reference No. 2013-220

Dear Technical Director:

Endurance Specialty Holdings Ltd. ("Endurance") appreciates the opportunity to provide comments to the Financial Accounting Standards Board ("FASB") on the Exposure Draft ("ED") Financial Instruments – Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities.

Endurance is a global specialty provider of property and casualty insurance and reinsurance. Through its operating subsidiaries, Endurance writes property, casualty, healthcare liability, agriculture and professional lines of insurance and property, catastrophe, casualty, aerospace and marine, and surety and other specialty lines of reinsurance. We prepare our consolidated financial statements in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). Our gross premiums written were $2.5 billion for the year ended December 31, 2012 and our shareholders’ equity was $2.7 billion at December 31, 2012.

Endurance supports FASB’s goals of improving standards on accounting for financial instruments. A standard that provides useful, transparent and relevant information about an entity’s exposure to financial instruments is welcomed by financial statement preparers and users alike. However, we have some comments regarding the proposed standard update regarding convergence, the fair value option, transition, implementation and the effective date.

A global accounting standard for financial instruments

Endurance supports the development of a single, global, high quality financial reporting and accounting standard for financial instruments. A global financial instruments standard would enhance comparability of companies across industries, countries and reporting standards for the investors and other primary users of financial statement information. Endurance urges the FASB to continue to work with the International Accounting Standards Board ("IASB") to try and resolve the remaining differences between the IASB’s financial instruments standard, IFRS 9, Financial Instruments.

Fair value option

Endurance supports the retention of a fair value option in the ED. Endurance would encourage the FASB to consider allowing companies to elect fair value accounting through net income for its various classes of securities consistent with the current fair value option guidance. Endurance would recommend as part of the introduction of this new measurement model, a one time election be allowed for companies to elect the fair value option. Although the fair value option under current US GAAP does introduce some challenges when comparing financial statements of different companies, we believe this is overcome with disclosure. We believe that companies should have the ability to
report their financial instruments at fair value, as we believe for many companies, fair value provides the most timely and accurate information to financial statement users at each reporting period.

Transition

Endurance supports the proposed prospective approach for initial implementation of the proposed standard. We believe that it would be very difficult and impractical for us to reclassify our financial instruments in prior periods under the new guidance.

Implementation and effective date

Endurance believes that the changes required by the proposed standard disclosures will require significant time and effort to implement. It is also unclear as to how certain concepts of the proposed standard are intended to be applied, as the proposed standard did not include implementation guidance. The time required to analyze our significant investment portfolio and classify each security or groups of securities alone will be significant. Our information systems will need to be evaluated and significant changes are likely to be required to calculate, store and analyze the information required to comply with the proposed standard. Our existing process and controls will need to be evaluated and new processes and controls will need to be created. In addition, significant time and expense will be required to train management, employees, the Board of Directors and other stakeholders on the new requirements and disclosures to ensure the standard is applied correctly, and to develop an awareness of the new standard and its impact on results of the Company. Therefore, we would require at least two years to analyze our investment portfolio, update our information technology systems to store and report the data, develop and implement controls over the information, and finally prepare the required disclosures.

Thank you for consideration of our comments.

Yours sincerely,

Michael J. McGuire
Chief Financial Officer
Endurance Specialty Holdings Ltd.