February 15, 2012

Re: File Reference No. 2011-200

Dear Ms. Cosper:

MetLife, Inc. (MetLife) is pleased to comment on the FASB’s Exposure Draft, Financial Services–Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements (the Exposure Draft). MetLife is a leading global provider of insurance, annuities and employee benefit programs, serving 90 million customers in over 50 countries. MetLife, as an investor, is a user of investment company financial statements and, as a manager of separate accounts and other funds, is also a preparer of investment company financial statements.

We commend the FASB on its joint efforts with the IASB to develop a common, high-quality standard on consolidation policy. We agree with the Boards’ decision to develop consistent criteria for determining whether an entity is an investment company.

MetLife generally agrees with the proposed amendments in the Exposure Draft relating to investment company criteria and measurement of investments. We believe that the proposed criteria, including the requirement of managing and evaluating performance of substantially all investments on a fair value basis, are appropriate. Additionally, we support the requirement for an entity to reassess whether it is an investment company as a result of changes to its purpose and design.

MetLife also supports the current requirement in U.S. GAAP that a noninvestment company parent retain the specialized accounting of an investment company subsidiary in consolidation. Retaining specialized accounting best reflects the economics of the investment in the subsidiary and how the subsidiary is managed. Finally, we agree that the additional disclosure requirements will provide financial statement users with useful information about an investment company’s activities and obligations.
However, we believe that the Exposure Draft’s new provision requiring an investment company reporting entity (Reporting Entity) to consolidate controlled investment companies would unnecessarily increase the complexity of the Reporting Entity’s financial statements. In a fund-of-funds structure, a Reporting Entity typically acquires interests in other funds to obtain the expertise of a third-party investment manager and portfolio diversity. In such cases, the Reporting Entity manages its portfolio at the fund level rather than the individual underlying investments of the funds. The most meaningful information to the users of the Reporting Entity’s financial statements is the level of investment in the funds together with the funds’ strategy and overall performance. Therefore, presentation of the investee funds’ individual investments on the Reporting Entity’s schedule of investments will result in less relevant information to the users of the financial statements. In the cases where information relating to the underlying funds is not publicly available, we believe transparency can be achieved through disclosure rather than consolidation.

We are particularly concerned with the impact the proposed guidance would have on separate account financial statements, which must be prepared by insurance companies issuing variable annuity and variable life contracts. Separate accounts typically invest in funds that are selected by contractholders. We believe consolidation of such funds, and therefore presentation of individual investments of the funds rather than investments in the funds, would be less meaningful and possibly confusing to the contractholders.

We once again thank you for the opportunity to respond to the Exposure Draft and your consideration of our observations and comments. If you have any questions regarding the contents of this letter, please do not hesitate to contact me.

Sincerely,

Peter M. Carlson

cc: Eric Steigerwalt
Executive Vice President and
Interim Chief Financial Officer