

September 5, 2006

Mr. Lawrence W. Smith
Chairman of Emerging Issues Task Force
Financial Accounting Standards Board
401 Merritt 7
Norwalk, Connecticut 06856-5116

Dear Mr. Smith,

Clark Consulting appreciates the opportunity to comment on the recently posted Supplement No. 2, EITF Issue No. 06-4, "Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements."

Implementation:

We wish to point out an error in the above-mentioned issue summary concerning the effective date of the proposed guidance. Paragraph 41 states that "The Task Force tentatively concluded that the consensus shall be effective for fiscal years beginning after the date that the consensus is ratified by the Board." View A in paragraph 42 states "The Task force reaffirms its tentative conclusion that this Issue should be effective for fiscal years beginning after the date this consensus is ratified by the Board."

The abstract that was exposed for public comment, however, included an effective date of fiscal years beginning after December 15, 2006. Although the FASB staff recommends that the Task Force consider delaying the effective date, with which we strongly agree, it appears that View A presented by the staff would actually accelerate the effective date for entities with fiscal years ending on or after September 30th, 2006 when compared to the implementation guidance in the abstract.

View A'

While the guidance suggested in alternative View A' merits consideration by the Task Force, we believe that its practical application requires further analysis than presented in Supplement 2. Practical implementation raises many questions, not the least of which is how to measure the cost of insurance. Mortality charges in universal life policies are not necessarily an accurate measure of the true cost of insurance and can be manipulated in relation to the other elements within the policy. Many, if not all, whole life policies do not separately disclose cost of insurance and that imbedded cost is not available from the insurance carriers. In certain cases, where dividend scales are involved, carriers may be prohibited from projecting these elements into the future. We recommend that the Task Force and the staff consult with insurance carriers offering all types of life insurance products and practitioners to develop a practicable approach to implementing this view.

Sincerely,



David W. Clark, CPA (inactive)
Vice President – Senior Technical Advisor
Banking Practice



Bruce Bengtson, FSA
Senior Vice President – Chief Actuary
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