

Liberty Mutual Group

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

Re: File Reference No. 1660-100, Discussion Paper - Preliminary Views on Revenue Recognition in Contracts with Customers

Dear Director:

Liberty Mutual Group (LMG) is a diversified global insurer and the sixth largest global property and casualty insurer in the world. As of March 31, 2009, LMG had approximately \$105 billion in consolidated assets and \$94 billion in consolidated liabilities. Our consolidated revenues were approximately \$29 billion for the year ended December 31, 2008.

We appreciate the opportunity to respond to the FASB's Discussion Paper, Preliminary Views on Revenue Recognition in Contracts with Customers (The "DP").

We understand the FASB & IASB's objective is to achieve one accounting model for all contracts and that the FASB will be field testing the concepts presented in the DP on all affected industries. LMG's position is that at this point in the project, affected constituents have not been provided adequate analysis conducted by the FASB or IASB and included within this DP to finalize a revenue recognition approach for insurance contracts.

Given the current outstanding issues presented by the FASB/IASB discussion paper on insurance contracts, including but not limited to, profit recognition at inception, accounting for acquisition costs, unbundling and subsequent remeasurement, we believe finalizing a revenue recognition approach that will be applicable to insurance contracts cannot be appropriately completed without first addressing and resolving the unique accounting matters affecting insurance enterprises. Further, the disruption caused by a new standard, which will ultimately be replaced in short order by an international accounting standard, will not benefit the users of financial statements of insurance enterprises.

Accordingly, the Company recommends the FASB exclude insurance contracts from the scope of the project and even consider delaying the entire project and address it through convergence.

In summary, LMG is not in support of the broad scope of the DP at this time as the consequences to the insurance industry need to be more comprehensively analyzed before the FASB/IASB issues an exposure draft for revenue recognition in contracts.

Sincerely,

John D. Dovle

Senior Vice President & Comptroller

Liberty Mutual Group