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September 13, 2010

RE: EITF 09-G Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts

Mr. Kevin Brower, Practice Fellow
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Dear Mr. Brower:

Thank you for the opportunity to comment on EITF 09-G *Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts*. We have previously provided our comments to the American Council of Life Insurers (ACLI) for inclusion in their comment letters to the Emerging Issues Task Force and support their comments. We would like to directly share some of our views of the staff draft, released following the July 29, 2010 EITF meeting, regarding implementation issues, the conclusions reached on recognition and measurement of employee and independent third party costs, and post-implementation inter-period and intercompany comparability.

The proposed implementation of EITF 09-G followed within a couple of years by the significant changes expected in the FASB's Insurance Contracts project presents a number of difficulties. First, are administrative difficulties and costs of implementing two different pieces of guidance covering the same transactions twice within a short period of time. Additionally, those changes, including the diversity resulting from their initial implementation within the industry, made over such a short period will make financial analysis across reporting periods and companies very difficult. Since the treatment of acquisition costs is central to the accounting for insurance contracts and the analysis of the operating results for an insurance company, releasing a single, comprehensive standard would result in better information for users of financial statements than releasing two separate standards sequentially where the second, more comprehensive guidance is not directly built from the first.

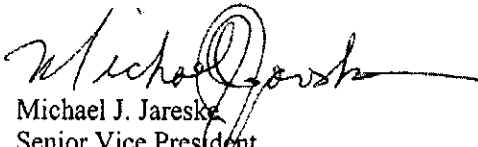
In addition to the difficulties raised by the release of two versions of insurance contract guidance within a short period, we respectfully disagree with the conclusions reached on the treatment of commissions paid to employees compared to commissions paid to independent third parties for the same activities. We are aware of the task force's desire to align this guidance with the guidance originally issued as SFAS 91 *Accounting for Nonrefundable Fees and Costs Associated with Originating and Acquiring Loans and Initial Direct Costs of Leases*, which treats employee compensation in a way similar to the proposed EITF 09-G. In the basis for conclusions on SFAS 91, the board noted that costs associated with solicitation should be charged to expense as incurred because they believed it was impracticable to identify successful and unsuccessful efforts. Insurance commissions, by their very nature, are paid only for the successful acquisition of a contract and so that difficulty is eliminated in the insurance industry. Additionally, the current proposal's disparate treatment of the same economic cost because of its form of payment results in comparability

difficulties between companies because transactions with similar economic substance are being accounted for differently because of their legal form. We are also concerned that this change to the proposed guidance, which was addressed only at the July meeting, is being presented in the form of a staff draft without a full comment period, which does not provide for an adequate process to address its perceived flaws.

Finally, beyond the inconsistencies already noted, the mixture of prospective and retrospective implementation options will result in ongoing reporting inconsistencies across companies until all amounts deferred under current guidance are amortized. This implementation issue will be exacerbated by the subsequent changes coming in the Insurance Contracts project. If EITF 09-G is issued as it is, it will do nothing but reduce comparability between the financial statements of insurers and create confusion for readers attempting to analyze and compare results. Again, we believe it would be better to limit the inconsistencies resulting from the implementation of new guidance to the implementation of a single, well-reasoned standard.

We support the FASB in its efforts to develop a high-quality accounting standard for insurance contracts that is converged with the international standard proposed by the IASB. We believe this is best accomplished by deferring the provisions of EITF 09-G so that they can be fully considered in the context of that broader guidance. Thank you for hearing our views on this important matter.

Sincerely,



Michael J. Jareske
Senior Vice President
Mutual of Omaha Insurance Company