

October 13, 2010

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

Attn.: Technical Director - File Reference No. 1820-100

Re:

Comments on the FASB and IASB's Exposure Draft on Revenue Recognition from Contracts with

Customers

Dear FASB Technical Director:

As an independent insurance broker specializing in providing surety bonds to our contractor clients, we are extremely interested in the referenced topic and appreciate the opportunity to comment.

We have a major concern as to how the new proposed standard would be applied to our contractor clients and the potential negative impact on the ability of our clients to maintain their current levels of surety credit.

The inherent subjectivity of the prescribed process for identifying and allocating revenue to performance obligations will lead to less consistency and transparency in the financial reporting process in the industry. There are significant concerns in the surety community about any approach that diminishes consistency and increases subjectivity. As a result, surety credit will become marginally more difficult to obtain in the future in order to offset the risks associated with inferior accounting rules.

Our contractor clients' contracts should not be divided into multiple profit centers or performance obligations since the risks are inseparable within the contracts. Surety companies provide bonds to guarantee the construction of an overall project but continue to analyze and monitor the contractors' financial conditions as the work progresses. With such inferior accounting standards, surety companies would be unable to assess the progress of a total contract, with such uncertainty possibly causing reduced surety capacity for the contractors.

These new standards could result in contractors having to prepare two sets of financial statements in order to both comply with the FASB standard and yet still satisfy the sureties' underwriting requirements, creating undue substantial work product and expense.

Sincerely,

Don K. Ardolino

Executive Vice President

Affiliated with mons C.J. Thomas Company