

N .C. GRANGE MUTUAL INSURANCE CO.

P O Box 9558, Greensboro, N. C. 27429
An Assessable Mutual Serving Since 1934

Ms. Susan M. Cospers
Technical Director
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856

October 25, 2013

Sent via E-Mail: director@fasb.org

File Reference No. 2013-290: Proposed Accounting Standards Update—*Insurance Contracts (Topic 834)*

Dear Ms. Cospers:

Our small company is a proud member of NAMIC and the property/casualty insurance industry in the United States. We operate only in North Carolina as a mutual insurer and have been in business over 75 years. We write about \$20,000,000 in direct premiums mainly home and farm business.

We support the efforts of the FASB and IASB to develop a consistent global and financial reporting framework that includes insurance contracts. Current U.S. GAAP as it applies to insurance entities is used in the United States and throughout much of the world.

This model has been tested, proven, and improved upon for decades and is widely supported by insurance regulators, financial statement users, and preparers alike. FASB has provided revisions and updates and worked with regulators, users, and preparers to keep the current U.S. GAAP model current, relevant, and closely aligned with NAIC statutory accounting. This has been a great asset to the insurance industry. **Conservative accounting practices have been the great protection of companies such as NCGM.**

Changing accounting methods would be expensive for a small mutual with very little benefit that we can see. It is my sincere hope that the FASB board of directors/governors will reconsider replacing the current U.S. GAAP standard for insurance with the Insurance Contracts Exposure Draft. Without all the technical data I can say that we strongly support the issues and concerns raised by NAMIC and others in the property/casualty insurance industry.

Sincerely,

Robert Caldwell

Robert Caldwell
President