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October 25, 2013

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

International Accounting Standards Board  
IFRS Foundation Trustees  
30 Cannon St.  
London EC4M 6XH, United Kingdom

Re: FASB Project 2013-290 Insurance Contracts (Topic 834)  
IASB ED/2013/7 Insurance Contracts

Members of the Board and Trustees of the Foundations:

Franklin Mutual Advisers, LLC (FMA) is investment advisor to mutual funds and other accounts totaling approximately \$70 billion. FMA is part of the Franklin Templeton family of funds. FMA's holdings currently include, and have historically included, significant holdings in insurance companies and other companies in the financial services sector. Among the funds that FMA manages is one that focuses specifically on financial services companies.

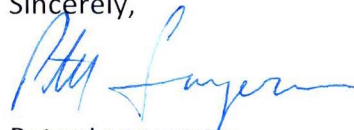
We are very troubled by the current exposure draft for Insurance Contracts. In our view, implementation of these new standards would be inconsistent with the objectives of the FASB and IASB. The new disclosure requirements would break the harmonization between current GAAP accounting and statutory accounting, specifically as related to reserves. Mainstream concepts such as Combined Ratio, which are extensively used in the analyst community, would be rendered obsolete. The changes would reduce transparency and represent a step backward from current accounting standards.

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We are also concerned that the proposed standards do not reflect how insurance companies currently manage their businesses and could therefore result in unintended, negative consequences for policyholders and increase volatility for the industry.

We would be happy to discuss our views in greater detail.

Sincerely,



Peter Langerman  
Chief Executive Officer