

6620 West Broad Street Richmond, VA 23230 www.genworth.com

Sent via email to director@fasb.org

February 12, 2010

Technical Director, File Reference No. EITF090G Financial Accounting Standards Board 401 Merritt 7 PO Box 5116 Norwalk, CT 06856-5116

RE: File Reference No. EITF090G

Genworth Financial appreciates the opportunity to comment on the proposed Accounting Standards Update (ASU), Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts.

Genworth Financial is a leading financial security company dedicated to providing insurance, wealth management, investment and financial solutions to more than 15 million customers. We have several international and U.S. life, health and mortgage insurance subsidiaries that regularly incur costs in the acquisition of new and renewal insurance contracts.

We believe the proposed ASU will create significant confusion among the users of our financial statements, and, accordingly, we urge the Financial Accounting Standards Board (FASB) and the FASB's Emerging Issues Task Force (EITF) not to adopt the proposed changes at this time.

The proposed ASU will create confusion among financial statement users given the significant change in the definition of acquisition costs in proximity with the International Accounting Standards Board and FASB joint Insurance Contracts project. It is expected that an exposure draft will be issued on the Insurance Contracts project prior to the effective date of this proposed ASU. This will result in multiple changes to insurer's accounting for acquisition costs over a relative short period of time.

The transition to, and consistency of financial statements under, the proposed ASU will also make financial statements of insurers confusing and less useful to users of the financial statements. Deferred acquisition costs (DAC) on long-duration insurance contracts are amortized over the life of the contract, often 20 or more years, and results in significant DAC balances being presented in the financial statements of insurers today from business written over several years. As historical tracking of successful efforts and other proposed definitional changes do not exist, absent an approved short-cut method,

prospective application will likely be the only auditable approach available to life insurers for adoption of the proposed changes. Accordingly, prior deferrals would continue to amortize based upon higher starting DAC balances while new deferrals will amortize based upon lower DAC balances as a result of the proposed definitional change. This prospective mixing of accounting models will create inconsistency in financial statements and lead to user confusion and request for, non-GAAP, comparative information. Moreover, the inconsistency in financial statement presentation would result in noncomparable financial statements for life insurers.

The current definition of acquisition costs and its application is generally well understood by financial statement preparers and users. The proposed changes create a solution where little, if any, concern exists today. We understand certain constituents have raised questions on whether advertising costs should be deferred. We believe the FASB and EITF should address this issue within the current definition of acquisition costs for insurers and address the broader definition and deferral of acquisition costs as part of the Insurance Contracts project.

If the FASB and EITF decide to proceed in changing the definition of acquisition costs despite our concerns, we strongly suggest including an approved short-cut method for retroactive application, using current and best estimates, to preserve the consistency, comparability and relevance of financial statements.

In response to the questions of the proposed FSP, we offer the following comments:

Questions 1 & 2: As described above, we object to the timing of the proposed ASU. In addition, we urge the Board not to change the definition of acquisition costs unless the same definition and approach to acquisition costs will be included in the Insurance Contracts project. We do not believe the proposed guidance could easily be made operational.

Question 3: As general advertising does not vary with production, we agree those costs should not be included as part of deferred acquisition costs. Again, we encourage the FASB and EITF to address this issue within the current definition of acquisition costs for insurers.

Question 4: We expect to incur significant costs – time and expenses – if required to change the definition of acquisition costs. Changes to many processes and systems would need to be made, especially in determining and tracking successful and unsuccessful efforts. The systematic changes to operationalize this tracking process would be extremely difficult and costly. In addition, these changes would have very little benefit to preparers or users of financial statements because of the short period of time they will be in place unless this definition and approach to acquisition costs is retained in the Insurance Contracts project.

Question 5: We have not conducted a complete assessment to determine if the proposed effective date is operational, given the limited deliberation prior to issuance and exposure during year-end reporting. Our initial view is it will be very difficult and, if the proposed definitional change of acquisition costs proceeds, we request an effective date of years beginning after December 31, 2011, or a one-year delay, to allow for implementation in an appropriately controlled manner and education to financial statement users. We stress that efforts would be better spent by users and preparers of financial statements evaluating the Insurance Contracts project.

We appreciate the opportunity to comment on the proposed ASU. If there are any questions regarding the content of this letter or you wish to discuss our comments and recommendations, please contact me at (804) 662-2685 or Matthew Farney, Global Technical Accounting Leader, at (804) 662-2447.

Sincerely,

Amy R. Corbin

Amy R. Coubin

Chief Accounting Officer, Vice President and Controller