

1095 Avenue of the Americas New York, NY 10036

pcarlson@metlife.com

Peter M. Carlson
Executive Vice President and
Chief Accounting Officer

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Technical Director Financial Accounting Standard Board (FASB) 401 Merritt 7 PO Box 5116 Norwalk, CT 06856-5116

Re: Proposed Accounting Standards Update – Insurance Topic 944: Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts, a consensus of the FASB Emerging Issues Task Force (EITF 09-G).

File Reference No. EITF090G

Dear Technical Director:

MetLife Inc. ("MetLife") appreciates the opportunity to comment on the Proposed Accounting Standards Update (ASU) – Insurance Topic 944: Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts, a consensus of the FASB Emerging Issues Task Force (EITF 09-G). MetLife is a leading provider of individual and institutional life and property & casualty insurance, employee benefits and financial services with operations throughout the United States and the regions of Latin America, Europe and Asia Pacific.

MetLife is a member of The Group of North American Insurance Enterprises (GNAIE) and we agree with the comment letter sent by GNAIE dated February 12, 2010. In particular, we are concerned that the Proposed ASU:

- Will distort financial results for the period over which it is effective, since capitalization of
 acquisition costs under the Proposed ASU will be inconsistent with the amortization of
 acquisition costs that were capitalized under current guidance,
- May require additional acquisition costs to be capitalized for certain non-life contracts but will require fewer acquisition costs to be capitalized for many life contracts, and
- Will require insurance companies to implement expensive and complex new cost accounting
 systems. This concern is exacerbated by the fact that the guidance for capitalizing acquisition
 costs may change again within two or three years as a result of the joint IASB/FASB
 insurance contracts project.

In addition to the above concerns, we would like to highlight the following two additional points:

- 1. We understand that the original impetus for developing guidance for capitalizing acquisition costs was to address diversity in practice with respect to capitalizing general advertising costs. We agree with the position in the Proposed ASU that general advertising costs should not be capitalized because they only indirectly affect sales. However, we are not sure that it is necessary to address this diversity in practice now, since a completely revised insurance contracts standard is scheduled to be issued in 2011. In any case, we believe that any such diversity can and should be addressed narrowly as an interpretation of existing accounting guidance specific to advertising costs. We do not believe it is necessary to revise the broader capitalization issues addressed in the Proposed ASU in order to address diversity in practice in capitalizing general advertising costs.
- 2. We believe that the definition of deferrable acquisition costs in the Proposed ASU is a good starting point for defining relevant acquisition costs under the joint IASB/FASB insurance contracts project. Such relevant acquisition costs should be used in the new model either to be netted against the initial consideration for calibrating the initial liability (either through a residual margin or composite margin) or to be capitalized as a separate intangible asset. We do not agree entirely with the definition in the Proposed ASU for this purpose in particular, we believe that direct costs should be treated consistently regardless of whether they represent salary, benefits or any other type of cost. However, we believe that the work done by the EITF on this issue should be applied to the joint IASB/FASB insurance contracts project rather than be used as interim guidance that will cause the distortions noted above.

If you have any questions regarding the contents of this letter, please contact me anytime to discuss our comments.

Sincerely,

Peter M. Carlson