



James M. Olsen  
Senior Director, Accounting and Investment Policy

September 20, 2010

Mr. Russell G. Golden  
Technical Director  
Financial Accounting Standards Board  
Norwalk, CT 06856-5116

Re: File Reference No. 1840-100 PASU, *Disclosure of Certain Loss Contingencies*

Dear Mr. Golden:

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to submit our comments regarding the Proposed Accounting Standards Update, *Disclosure of Certain Loss Contingencies*.

We request this proposal be withdrawn. While we appreciate the changes FASB has made to the June 2008 exposure draft on this topic, we continue to be concerned about the prejudicial nature of the proposed disclosures. We also have serious concerns that the proposed disclosures, at significant additional cost to companies, would not provide more decision useful information to the users of the financial statements than is currently provided.

Significant Concerns:

- The proposed tabular reconciliation could provide information to adversaries in legal proceedings that would be used against the reporting company. We do not believe that the aggregation of data is adequate to limit the prejudicial nature of the information. Many legal contingencies have very specific characteristics making aggregation unavailable thereby providing legal adversaries with information that could be used to the detriment of the company. Even for legal contingencies that are aggregated, the quarterly reporting and roll-forward of a company's view of its litigation exposures could be tracked by adversaries and used to estimate the company's value of a claim and to develop settlement strategies.
- The requirement to disclose the amount of a lawsuit that is potentially covered by insurance would provide current and future claimants information that could be used as a base for claim settlements.
- Disclosure of loss contingencies based solely on the potential sizes of a loss, with no consideration of the fact that there is a remote likelihood of the loss occurring, could lead to a misinterpretation of the financial condition of the company. It could also generate other frivolous claims against the company to pressure settlements.

PCI is composed of more than 1,000 member property/casualty insurance companies, representing the broadest cross-section of insurers of any national trade association. PCI members write over \$174 billion in annual premium, 37.1 percent of the nation's property/casualty insurance.

If you have any questions or if PCI may be of any future assistance, please contact me at 847-553-3664 or [james.olsen@pciaa.net](mailto:james.olsen@pciaa.net)

Sincerely,

A handwritten signature in black ink, appearing to read "James M. Olsen", is centered below the word "Sincerely,". The signature is fluid and cursive, with a long horizontal stroke at the end.

James M. Olsen  
Senior Director Accounting and Investment Policy