

JAMES RENZ
DIRECTOR, ACCOUNTING POLICY
jimrenz@acli.com



June 14, 2006

Mr. Lawrence W. Smith
Chairman of Emerging Issues Task Force
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856-5116

Re: EITF 06-5 - Accounting for Purchases of Life Insurance—Determining the Amount That Could Be Realized in Accordance with FASB Technical Bulletin No. 85-4, *Accounting for Purchases of Life Insurance (EITF)*

Dear Mr. Smith:

The American Council of Life Insurers (ACLI) would like to provide pre-deliberation comments on the above referenced matter being addressed by the Emerging Issues Task Force (Task Force). ACLI's 377 member companies account for 91 percent of the total assets and 90 percent of the life insurance premiums in the United States.

The International Accounting Standards Board is currently developing new standards for the accounting for insurance contracts, including policyholder accounting¹. With these new standards being developed, expanding the scope of these deliberations to include the reconsideration of FASB Technical Bulletin 85-4, Accounting for Purchases of Life Insurance (FTB 85-4) would not be appropriate at this time. Additionally, the reconsideration of FTB 85-4 could delay or adversely impact the use of life insurance to meet important and legitimate business needs. For these reasons, it is our opinion that the Task Force should focus their current efforts on the two issues presented in the EITF.

Regarding those two specific issues posed in the EITF, we would look forward to the opportunity to provide comments in the near future to help the Task Force resolve these issues in an expeditious manner. We also offer our assistance to the Task Force in providing any technical expertise that may be required.

Thank you for the opportunity to provide these initial comments.

Sincerely,

James F. Renz
Director, Accounting Policy

© ACLI. All rights reserved.
101 CONSTITUTION AVENUE, NW, Suite 700, WASHINGTON, DC 20001-2133
Telephone: (202) 624-2168 Facsimile: (202) 572-4849

¹ EITF 06-5, Paragraph 30, Issue Summary No. 1.