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Ms. Susan M. Cosper
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July 14, 2014

Re: Exposure Draft- Proposed Statement of Financial Accounting Concepts – *Conceptual Framework for Financial Reporting, Chapter 8: Notes to Financial Statements*
File Reference No. 2014-200

Dear Ms. Cosper:

MetLife, Inc. ("MetLife" and "we") appreciates the opportunity to provide comments on the FASB's Exposure Draft, *Conceptual Framework for Financial Reporting, Chapter 8: Notes to Financial Statements* ("the Exposure Draft"). MetLife is a leading global provider of insurance, annuities and employee benefit programs. Through its subsidiaries and affiliates, MetLife holds leading market positions in the United States, Japan, Latin America, Asia, Europe and the Middle East.

MetLife continues to support the Board's goal of establishing an overarching framework to make financial statement disclosures more effective, coordinated and less redundant. We agree that a framework of well-established concepts that support the objective of financial reporting should serve as the basis for establishing more appropriate disclosure requirements in the future while importantly also providing a basis to evaluate existing disclosure requirements.

In general, we are supportive of the concepts contained within the Exposure Draft. However, we have the following key observations and concerns:

- We do not believe the goal of more effective disclosures can be achieved by solely focusing on the notes to financial statements. The Board should continue to engage with the United States Securities and Exchange Commission (the "SEC") and other regulatory bodies to take a comprehensive and holistic approach to financial statement disclosures. For example, the Board should consider the disclosures already required under SEC rules for public companies in order to improve overall efficiency and effectiveness of disclosures by reducing redundant disclosures. Another alternative would be augmenting the disclosures based on relevancy to resource providers. For example, only the most relevant information should be required to be disclosed in the notes to financial statements. Additional information could be provided in supplemental schedules and disclosures, which may be subject to a different audit requirement. This will not only balance disclosure requirements with disclosure volume, but also provide a benefit that exceeds the cost of providing such disclosures.

- Estimates and assumptions used as current measurement inputs are future oriented and include significant elements of management's judgment regarding future market trends and economic conditions, which are not under management's control. We recommend that the disclosure framework provide further clarity in defining the estimates and assumptions that involve significant judgment, are possibly predictive in nature, and may also include proprietary information. In such cases, quantitative disclosures should not be required given the potential for significant negative consequences. Instead, qualitative disclosure could be required to enable the users of the financial statements to perform their own assessments.

- The Board should clarify that the sensitivity analysis discussed in paragraphs D29 and D30 be limited to changes in market-driven inputs and be restricted to those measurements that are based on a pure mathematical model (one that does not incorporate management's judgment). Sensitivity analysis based on entity-specific assumptions, which incorporate entity-specific experience as well as management judgment, could potentially be misinterpreted by users and, therefore, potentially have negative consequences as described in our response to Question 7.

- Certain decision questions within Appendix A can be viewed as a requirement to provide, either directly or indirectly, quantitative assessments of future results that potentially can lead to significant negative consequences. The Board should consider highlighting, or otherwise emphasizing, that certain disclosures may be subject to constraints that limit providing predictions, projections, forecasts, or similar assertions about uncertain or unknown future events that are beyond management's control as described in our response to Question 5.

We appreciate the opportunity to comment on the Exposure Draft and offer our perspective. We have also attached our responses to the questions contained in the Exposure Draft. If you have any questions on the contents of this letter, please do not hesitate to call me.

Sincerely,

Peter M. Carlson

cc: John C. R. Hele
Executive Vice President and
Chief Financial Officer

Appendix

Set forth below are our specific comments with respect to questions in the Exposure Draft.

Question 1: Should financial statements of employee benefit plans be excluded from the scope of this chapter of the conceptual framework?

We agree that the financial statements of employee benefit plans should be excluded from the scope of this chapter of the conceptual framework. We agree that employee benefit plan financial statements and their users are sufficiently different from business entities to warrant different considerations in reporting.

Question 2: Do the concepts in this chapter related to not-for-profit entities address the informational needs of resource providers to those entities?

Yes. Information about an entity's use of its resources and abilities to generate cash flows will help donors assess the efficiency and effectiveness of a not-for-profit organization in providing services, as well as its ability to continue to provide services.

Question 3: Do the concepts in this chapter encompass the information appropriate for disclosure in notes to financial statements that would assist resource providers in their decision making? Are there concepts that should be added or removed?

Generally we agree that the concepts in this chapter encompass the information appropriate for disclosures in the notes to financial statements.

However, we recommend that the Board clarify the disclosure requirements relating to forward-looking information (see our responses to Questions 5 and 7). In addition, the Board may want to consider and seek to integrate existing disclosure requirements, under the concepts of "relevant" and "cost constraint", to avoid redundant and excessive disclosures.

Question 4: Are there additional concepts needed to identify information that is unsuitable for requirement by the Board in notes to financial statements even though that information would be consistent with the purpose of the notes?

In general, we agree with the limitations described in this chapter, especially those in paragraphs D16-D31. However, we believe the Board should consider further clarifying the limitations relating to future-oriented information. Refer to our responses to Questions 5 and 7 for details.

Question 5: Do the decision questions in Appendix A identify the information appropriate for the Board to consider requiring for disclosure when setting standards related to line items and other past events and current circumstances and conditions that can assist resource providers in their decision making?

The questions in Appendix A are broad and all-inclusive as intended by the Board. In general, we agree that the decision questions in Appendix A identify information appropriate for the Board to consider requiring for disclosure when setting new standards.

However, consistent with our observations noted in Question 7, certain questions within Appendix A can be viewed as a requirement to provide, either directly or indirectly, predictive quantitative assessments of future results that can lead to potentially significant negative consequences despite the "constraints" listed in paragraphs D16-D31. The following questions appear to be inconsistent with the limitations described in paragraphs D16-D31. The Board should consider highlighting, or otherwise emphasizing, that certain disclosures may be subject to constraints that limit providing predictions, projections, forecasts, or similar assertions about uncertain or unknown future events that are beyond management's control.

- L2 (e) - Estimated amounts and timing of future cash flows that are contractually required, but whose amounts and/or timing are not contractually specified.
- L2 (f) - The estimated amounts and timing of future cash flows that are not contractually specified but that are anticipated or otherwise probable (for example based on past history or economic incentives).
- L5/L6 (d) - An indication of past effectiveness of the policies, practices and strategies (in the context of general description of current policies, practices and strategies intended to mitigate the effects of changes in conditions or market factors).
- O1 (d) – A current measure of the possible effect of the event or condition on an entity's future cash flows.
- O1 (e) – The entity's judgment about the probability that the event or condition will affect the entity's future cash flows.
- O2 (e) – A current measure of the possible effect of the event or condition on future cash flows.
- O2 (f) – The entity's judgment about the probability that the event or condition will affect the entity's future cash flows.

Question 6: Does the discussion in paragraphs D43–D50 identify the information appropriate for the Board to consider when setting standards related to information about the reporting entity?

We agree the discussion in paragraphs D43-D50 identifies the information appropriate for the Board to consider when setting standards related to information about the reporting entity.

Question 7: Will the concepts related to future-oriented information (paragraphs D22–D31) result in disclosures that are appropriate for the notes? If not, what types of information should be included in or excluded from consideration for disclosure in the notes?

We agree that disclosures of expectations and assumptions about the future that are not inputs to a current measurement should not be required. However, estimates and assumptions used as an input for current measurements can be future oriented and sometimes involve significant judgment from management, such as a future market or economic outlook, which can be deemed predictive in nature. Disclosures of such information could potentially lead to significant negative consequences as indicated in paragraph D22, since management cannot control the outcomes of future market or economic conditions. They may also lead to an increased potential for litigation if some information turns out to be materially different from management's previous judgments. Unlike the forward-looking information disclosed outside of audited financial statements, the "safe harbor" rule does not extend to the notes to the financial statements.

In addition, in some industries such as banking, insurance and healthcare, estimates or assumptions used in current measurement could also include proprietary information, such as entity specific experience and pricing information. Disclosures of such information, especially quantitative, may negatively impact an entity's ability to compete in its markets.

As such, we recommend that the disclosure framework provide further clarity in defining the estimates and assumptions that involve significant judgment, are possibly predictive in nature, and may also include proprietary information. In such cases, quantitative disclosures should not be required given the potential for significant negative consequences. Qualitative disclosure could be required to enable the users of the financial statements to perform their own assessments.

For information about the effect of specified future changes in existing conditions as discussed in D29 and D30, the Board should clarify that such sensitivity analysis be restricted to those measurements that are based on a pure mathematical model that does not incorporate management's judgment. An example of a measurement that is based on a pure mathematical model that does not involve management judgment would be the foreign exchange remeasurement gain or loss associated with a recognized non-functional currency denominated monetary asset or liability. In addition, the Board should clarify that such sensitivity analysis should be limited to changes in market-driven inputs (e.g. foreign exchange rate, interest rate, equity market performance, consumer price index, gross domestic product). Sensitivity analysis on entity-specific assumptions, which incorporate entity-specific experience as well as management judgment, could potentially be misinterpreted by users and possibly result in negative consequences such as inadvertent disclosure of proprietary information.

Question 8: Do the concepts in this chapter appropriately distinguish the types of information that are appropriate for the notes from the analysis management provides in other communications?

Refer to our response in Question 7 above.

Question 9: Are the concepts related to disclosure requirements for interim periods (paragraphs D60–D71) appropriate? If not, are there concepts that should be added or removed?

Generally, we view interim financial statements to be a continuation and an integral part of the latest annual financial statements. Interim disclosures should focus on relevant changes and new development since the prior year end and the relation, if any, to the annual financial statements. A disclosure framework consistent with the annual disclosure framework that focuses on and emphasizes changes during the interim period would seem appropriate.

Maintaining a certain degree of consistency between the annual and interim disclosures, similar to that established by Regulation S-X Rule 10-01, appears necessary to maintain a level of standardization between interim and annual reports. However, by emphasizing and focusing on changes from the annual report, a certain degree of disclosure flexibility, decreased volume and repetition, and overall disclosure effectiveness could be achieved.

Question 10: If no disclosure guidance for a transaction, event, or line item is specified in U.S. GAAP, how will an entity consider the nonauthoritative guidance in this chapter?

If no disclosure guidance for a transaction, event, or line item is specified in U.S. GAAP, we believe an entity should follow the conceptual framework discussed in the Exposure Draft in order to provide the users of financial statements relevant and useful information. In general, an entity would consider disclosing the nature of the transactions or events and the method of accounting applied to them, uncertainties related to recognition and/or measurement, and any unique or highly unusual aspect of the transaction or event that would affect an assessment of the entity's prospects for future cash flows.