Scott R. Lewis
Senior Vice President and Controller
The Hartford Financial Services Group, Inc.
One Hartford Plaza
Hartford, CT 06155

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Technical Director
File Reference No. 2015-270
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116
Via e-mail to director@fasb.org

Reference: Proposed Accounting Standards Update: *Compensation – Stock Compensation (Topic 718)*

Dear Technical Director:

The Hartford Financial Services Group Inc. ("The Hartford" or "we") appreciates the opportunity to comment on the Financial Accounting Standards Board's ("FASB") Proposed Accounting Standards Update ("ASU") concerning *Compensation – Stock Compensation (Topic 718) Improvements to Employee Share-Based Payment Accounting*. The Hartford provides property and casualty and group benefits insurance, as well as investment products to both individual and business customers in the United States of America. We also continue to manage life and annuity products previously sold. We are a publicly traded company and provide stock-based compensation to our employees. As of December 31, 2014, we had outstanding as equity awards a total of 3.7 million stock options, 7.2 million restricted stock and restricted stock units, and 1.1 million performance shares.

We support the FASB's objective in its "Simplification Initiative" to reduce the costs and complexity in financial reporting while maintaining or improving the usefulness of the information provided to users of financial statements. We agree that the proposed guidance would reduce cost and complexity in the accounting for share-based payment arrangements and welcome most of the proposed ASU's provisions. However, in addition to removing the APIC pool limitation, we believe compensation expense, net of the tax on the reported expense, provides more useful information to investors and the excess tax benefit or deficiency should continue to be recognized in additional paid-in capital ("APIC").

Stock compensation expense for an equity award recognized through earnings is generally fixed based on grant date fair value while the tax deduction is based on the fair value at settlement (e.g., exercise of stock options, settlement of restricted shares, or expiration of stock options). This is a permanent book and tax difference. Only the grant date fair value is recognized in earnings and, correspondingly, only the tax effect for the book expense based on grant date fair value should be recognized in earnings. The permanent tax difference should simply be recognized in APIC as part of the equity award settlement. Further, we do not believe APIC attributed to stock compensation, including permanent tax differences, needs to be monitored for cumulative deficiency because a stock compensation award's effect in APIC will never be negative in total if the impact of both the stock compensation expense and the excess tax benefit or deficiency is considered. Under existing GAAP, the APIC pool can result in an earnings charge for a deficiency because it only accumulates the permanent tax differences referred to as excess tax benefits or deficiencies. Even in a worst case scenario of an option that expires worthless, the reversal of the book tax benefit will not result in a deficiency for the award because it would not reverse more than the book stock compensation expense originally credited to APIC.

Thank you for the opportunity to provide input on the proposal. Please contact me at 860-547-4848 or scott.lewis@thehartford.com if you would like to discuss our suggestions.

Sincerely,

Scott R. Lewis