



Michael Monahan
Senior Director, Accounting Policy

March 9, 2016

Ms. Susan Cospers
Technical Director
Financial Accounting Standards Board
401 Merritt 7, P. O. Box 5116
Norwalk, CT 06856-5116

Re: Targeted Improvements to the Accounting for Long-Duration Contracts

Dear Ms. Cospers:

The American Council of Life Insurers (ACLI)¹ would like to take the opportunity to comment on this project prior to the completion of deliberations later this year. As you know, the tentative decisions to date on this project would constitute a significant change to the current recognition, measurement, presentation, and disclosure requirements for long-duration contracts. As such, the ACLI is expecting that the Board will issue an Exposure Draft to solicit comments from constituents prior to issuing a final standard. Given the limited level of detail provided in Board handouts and meeting minutes to date, until an Exposure Draft is issued, ACLI believes it will be very difficult for preparers, users, auditors and other constituents to fully assess the potential impact the proposed changes would have on the financial results and disclosures of insurance enterprises. It will also be quite challenging, until an Exposure Draft is issued, for preparers to fully assess the extent of potential changes to systems, people, processes, and controls that would be necessary to fully implement the proposed guidance.

Given the complexity and the widespread impact the proposed changes are expected to have on the accounting for long-duration contracts, it is imperative that the Board provide a comment period of at least 120 days for the Exposure Draft, commensurate with exposure periods provided for the *Revenue*

¹ The American Council of Life Insurers (ACLI) is a Washington, D.C.-based trade association with approximately 300 member companies operating in the United States and abroad. ACLI advocates in federal, state, and international forums for public policy that supports the industry marketplace and the 75 million American families that rely on life insurers' products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, long-term care and disability income insurance, and reinsurance, representing more than 90 percent of industry assets and premiums. Learn more at www.acli.com.

