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Technical Director – File Reference No. 2018-300  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

Via E-mail:  
Attn: [director@fasb.org](mailto:director@fasb.org)  
File Reference No. 2018-300

Re: Proposed Accounting Standards Update on Codification Improvements – Financial Instruments

Dear Sir or Madam:

The Travelers Companies, Inc. (Travelers) appreciates the opportunity to comment on the Financial Accounting Standards Board's (the FASB or the Board) Proposed Accounting Standards Update, *Codification Improvements – Financial Instruments* (Proposed ASU). Travelers is a leading provider of property and casualty (P&C) insurance products and services to a wide variety of businesses and organizations as well as individuals. Our products are distributed primarily through independent insurance agents and brokers throughout the United States and in selected international markets.

We support the Board's efforts to improve the guidance in Codification or correct any unintended consequences of Codification. We offer the following comments related to Topic 2 (Codification Improvements to Update 2016-13), Issue 2C: *Clarification That Reinsurance Recoverables Are within the Scope of Subtopic 326-20* of the Proposed ASU. Specifically, the proposed amendments would clarify that all reinsurance recoverables within the scope of Topic 944 on insurance are within the scope of Subtopic 326-20, regardless of the measurement basis of those recoverables.

Travelers believes that the proposed amendments for Issue 2C clarify the scope of Subtopic 326-20 and the Board's intent that all reinsurance recoverables measured in accordance with Topic 944 are included within the scope of Subtopic 326-20, including reinsurance recoverables that are measured on a present value basis. We believe the proposed amendments properly recognize that fact that all reinsurance recoverables are not necessarily measured at an amortized cost basis.

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Finally, we believe the effective date and transition requirements for Issue 2C should align with that of ASU 2016-13 for entities that have not yet adopted ASU 2016-13, as we do not believe any additional time is necessary to implement the proposed amendments for Issue 2C.

Thank you for the opportunity to comment on the Proposed ASU. Please feel free to call me at (860) 277-0537 if you have any questions.

Regards,

A handwritten signature in black ink that reads "D. Keith Bell". The signature is written in a cursive style with a large, looped initial "D" and a long, sweeping underline.

D. Keith Bell