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**Douglas Wm. Barnert**  
Executive Director

**GNAIE**

Group of North American Insurance Enterprises  
40 Exchange Place, Suite 1707  
New York, NY 10005  
UNITED STATES

March 13, 2009

Mr. Russell Golden  
Director of Technical Application and Implementation Activities  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

**Re: Proposed Issue C22**

Dear Mr. Golden,

The Group of North American Insurance Enterprises (GNAIE) appreciates the opportunity to offer our comments and observations on the Financial Accounting Standards Board's ("FASB") Proposed Statement 133 Implementation Issue No. C22, *Exception Related to Embedded Credit Derivatives* (the "Proposed Issue C22"), specifically as it relates to redeliberation discussions at the FASB meeting on March 4, 2009.

GNAIE is a trade organization comprised of 18 leading insurance companies including life insurers, property and casualty insurers, and reinsurers. GNAIE members include companies who are the largest global providers of insurance and substantial multi-national corporations, and all are major participants in the US markets.

GNAIE, and presumably many other investors potentially impacted by this guidance, did not comment on Proposed Issue C22, because the guidance was not believed to represent a major change in policy or practice. However, a distinction was drawn by the FASB Staff at the March 4th meeting between the investor's accounting for an interest in a single-tranche versus a multi-tranche structure. This distinction, in the Staff's view, can potentially result in different "embedded derivative" conclusions for two fully-funded synthetic CDO structures that otherwise have identical assets and cash inflows. This distinction was clearly not apparent to GNAIE and most likely to other constituents that commented on Proposed Issue C22. To this end, we believe that the principle behind this distinction needs to be clarified by the FASB through a re-exposure of Proposed Issue C22, thereby giving constituents, primarily investors, the ability to provide the FASB with appropriate feedback to ensure appropriate due process.

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We look forward to the opportunity to provide the FASB with constructive feedback on a future re-exposure of Proposed Issue C22, if the Board determines that re-exposure is the appropriate course of action to take, given new developments that emerged at the March 4th Board meeting. We hope that this letter has provided you with useful information to assist in the Board's continued redeliberations. If you have any questions or need further clarification concerning any matter addressed in this letter, please contact Steve Belcher at 212-770-6252.

Sincerely,

A handwritten signature in black ink, reading "Douglas Wm. Barnert". The signature is written in a cursive, flowing style and is placed over a light gray rectangular background.

Douglas Wm. Barnert  
Executive Director  
Group of North American Insurance Enterprises

DWB:SB:c11

