THE CHUBB CORPORATION

15 Mountain View Road, Warren, New Jersey 07059

February 17, 2010

Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: File Reference: No. EITF090G

Dear Technical Director:

The Chubb Corporation is a holding company with subsidiaries principally engaged in the property and casualty insurance business. We appreciate the opportunity to comment on this proposed Accounting Standards Update (the proposed ASU) "Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts" of the Emerging Issues Task Force of the Financial Accounting Standards Board (the FASB or the Board). The proposed ASU would amend the accounting guidance related to the costs associated with acquiring or renewing insurance contracts.

We understand that the Board is attempting to address a perceived diversity in practice regarding the identification of those costs relating to the acquisition of new or renewal insurance contracts that qualify as deferred acquisition costs (DAC). We are familiar with and have observed the Board's joint project with the International Accounting Standards Board to develop a common, high-quality standard that will address the recognition, measurement, presentation and disclosure requirements for insurance contracts. Given the ongoing efforts related to the insurance contracts project and the preliminary indication from the Board on the accounting for acquisition costs under the insurance contracts project, we request that the Board not proceed with issuing the proposed ASU.

As the Board noted, the proposed guidance would likely represent a significant change in practice for many insurance entities. The proposed guidance would require insurers to separately identify the costs associated with the successful acquisition of contracts from the costs associated with contracts that are not acquired. We believe that most property and casualty insurers do not currently classify their costs this way. Accordingly, most insurers would have to develop and implement comprehensive mechanisms to comply with the proposed guidance. The ability to identify and capture such information could be costly and time consuming to develop and implement.

The FASB has already indicated that based on its deliberations under the insurance contracts project, it has developed a tentative view that acquisition costs will be expensed when incurred. Since the new insurance contracts accounting standard could be issued within the next few years, the effort needed to identify and capture the data required to adopt this proposed ASU would not be a productive use of limited resources since it may be rendered obsolete within a few years. The benefits do not outweigh the costs.

Like most other property and casualty insurers, we write short duration contracts which generally recognize the acquisition costs related to such contracts as an expense within a period of twelve months, regardless of the methodology used to defer acquisition costs. Therefore, the proposed guidance would not have a significant impact on how most property and casualty insurers report results from operations.

We encourage the Board not to issue the proposed guidance as written. If the Board proceeds with the issuance of this guidance we recommend that the scope be revised to just address the specific issues related to advertising costs. The other issues related to DAC, such as diversity in practice, should be addressed in the comprehensive effort to develop a new insurance contract standard. We do not believe the benefits of issuing such guidance outweigh the costs of implementation, when the guidance could be superseded within the next few years.

If the Board chooses to proceed with the proposed ASU, it would be difficult for us, and probably other insurers, to successfully develop and implement the mechanisms required to identify and classify costs in time to comply with the proposed effective date beginning with reporting periods beginning after December 15, 2010.

We would be pleased to discuss our comments and recommendations with members of the Board or its staff.

Very truly yours,

John J. Kennedy
Senior Vice President and
Chief Accounting Officer