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Communications Division
Office of the Comptroller of the Currency
Public Information Room
Mailstop 2-3
Attention 1557-0081
250 E Street, SW
Washington, D.C. 20219

Pursuant to the interagency's Proposed Agency Information Collection Activities, Federal Register / Vol. 75, No. 189, dated September 30, 2010, OCC OMB Number 1557-0081, we write to thank you for the opportunity to comment on section H Life Insurance Assets.

In this letter we provide feedback based on our experience as one of the industry's oldest and most respected BOLI consultants. In our capacity as consultant to many banks we have developed an expert understanding of the products available in the market and their respective risk characteristics.

The spirit of the desire for clarified reporting is undoubtedly positive and timely. It will benefit banks, regulators, investors and other stake-holders. We support the concept and hope that it is implemented following some minor adjustments resulting from this review process.

Our understanding of the regulator's motivation to categorize BOLI policies as either general account or separate account is primarily driven by the desire to quantify the exposure of the underlying investments to market price risk. This follows from the assumption that general account BOLI does not exhibit price risk, but separate account BOLI does. We agree with this premise, however it ignores the hybrid product category mentioned in OCC 2004-56. It also ignores other important risk differences between the three product types.

We suggest that reporting be consistent with OCC 2004-56 and be split into three categories; general account, separate account, and hybrid account. This will allow the regulators to make the important distinction between investment and price risk in separate account and hybrid products. Without this additional category, we believe hybrid will be categorized incorrectly.

Separate account makes the use of third party stable value wrap agreements, whereas hybrid does not. This introduces credit risk by the existence of a third party stable value

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wrap, and provides only limited price risk. This risk is not present with hybrid because it does not require a stable value wrap, it is guaranteed by the insurance company's general account. Hybrid also has a minimum guaranteed crediting rate, and credit default production. From an investment risk perspective it is similar to a general account product.

We feel these three categories are necessary because with only two categories separate account and hybrid product could be lumped together under separate account. We believe this is not appropriate because of the characteristics of hybrid products such as minimum guaranteed crediting rates, price risk similar to general account, credit default protection, and no stable value wrap credit risk.

If you decide to proceed with only two categories, general account and separate account, then we recommend that you categorize hybrid account as general account. Hybrid account shares most of the same risk characteristics as the general account such as fixed interest rate crediting, minimum guaranteed crediting rate, asset default protection, price risk limited by guarantees from the insurance company's general account, and no third party stable value wrap. Hybrid products are not subject to the same market fluctuations as stable value separate account products. For these reasons we feel it would be unfair to categorize hybrid products with other separate account products.

We thank you for considering our comments in this matter and remain at your service if we can be of further assistance.

Sincerely,

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