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April 20, 2009

Ms. Elizabeth Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Reference: File Number S7-27-08, *Roadmap for the Potential Use of Financial Statements Prepared in Accordance With International Financial Reporting Standards by U.S. Issuers*

Dear Ms. Murphy:

Nationwide Insurance Group appreciates the opportunity to comment on the Securities and Exchange Commission (SEC) File Number S7-27-08, *Roadmap for the Potential Use of Financial Statements Prepared in Accordance With International Financial Reporting Standards (IFRS) by U.S. Issuers* (Roadmap). Nationwide Insurance Group (Nationwide) is comprised of three affiliated mutual insurance companies and their subsidiaries under common management, including two SEC registrants. Nationwide is one of the largest diversified insurance and financial services organizations in the world, with more than $135 billion in assets and $20 billion in annual revenues.

We support the development of a single set of principles based, codified, globally accepted accounting standards. We commend the SEC on issuing the proposed Roadmap and the related rule proposal, and look forward to future discussions on this important topic. With the increasingly global nature of the economic and capital markets, we believe that publicly and privately held companies, investors, regulators, other financial statement users, and the overall market will benefit from financial statements that are prepared in accordance with a single set of globally accepted accounting standards.

The issuance of the proposed Roadmap is an important step toward the goal of a world wide accepted set of accounting standards. With more than 110 countries permitting or requiring IFRS, or basing their local accounting standards on IFRS, this is demonstration that substantial progress has been made toward this goal. However in reaching this goal, the due process in which the standards are developed, the completeness of the standards including a codification, and the consistency with which they are interpreted and enforced, all remain open critical issues. Another issue that is critical to Nationwide is the application of IFRS to privately held companies so that we may remain competitive in the global markets.

The following is a summary of what we believe to be the critical issues included below in our responses to the request for comment:

- Starting now, the FASB should issue all new and modified accounting standards in convergence with IFRS; doing so will significantly improve the transition to and adoption of IFRS
- There should be two full years between the SEC decision to proceed with the Roadmap and the opening balance sheet required under IFRS to allow companies, auditors, regulators, other financial statement users and the education system to prepare for the implementation of IFRS
- Only one comparative year should be required in the year of adoption of IFRS to reduce the number of years of parallel accounting under U.S. GAAP and IFRS; likewise we believe that financial statement users will focus on the current year and most recent comparative year, rather than financial information two years prior
- The requirement of IFRS for privately held companies should be addressed to avoid creating a competitive disadvantage in conducting business, raising capital, being regulated and attracting talent in a global market and to avoid the operating burden of possibly multiple accounting bases being required by regulators and others
- The issuance of a comprehensive IFRS insurance accounting standard is necessary prior to convergence
- IFRS should be phased in, however with early adoption permitted
- While the IFRS implementation is phased in, there should be a moratorium on planned major changes
- IFRS should go through a codification process similar to U.S. GAAP to create a single set of authoritative, global accounting standards

Please find our responses as follows to the questions requested for comment in the Roadmap.

1. Do commenters agree that U.S. investors, U.S. issuers and U.S. markets would benefit from the development and use of a single set of globally accepted accounting standards? Why or why not? What are commenters views on the potential for IFRS as issued by the IASB as the single set of globally accepted accounting standards?

We believe the development of a single set of principles based, codified, globally accepted accounting standards would benefit publicly and privately held companies, investors, regulators, other financial statement users and the overall markets. The benefits of preparing financial statements and disclosures under a single set of globally accepted accounting standards include more consistent and comparable information, a more efficient use of resources and cost savings, a greater understanding and reliability of the financial statements which will facilitate financial statement users ability and confidence to make decisions with the financial information.

IFRS has the potential to be the single set of globally accepted accounting standards, as currently more than 110 countries either require or permit IFRS as their accounting standards or base their own local standards on IFRS and more countries are expected to adopt IFRS in the near future.

With that potential, we believe to reach the overall goal of global implementation, the due process in which the standards are developed, the completeness of the standards including a codification, and the consistency with which they are interpreted and enforced, all remain open critical issues. Another issue that is critical to Nationwide and other privately held companies, is the application of IFRS to all companies beyond SEC registrants so that we may remain competitive in the global markets. We believe that these necessary developments will be apart of the maturing process of IFRS, though none the less need addressed.

2. Do commenters agree that the milestones and considerations described in Section III.A. of this release ("Milestones to be Achieved Leading to the Use of IFRS by U.S. Issuers") comprise a framework through which the Commission can effectively evaluate whether IFRS financial statements should be used by U.S. issuers in their filings with the Commission? Are any of the proposed milestones not relevant to the Commission's evaluation? Are there any other milestones that the Commission should consider?

We agree that the milestones described in the proposed Roadmap establish a framework of critical steps for successful adoption of IFRS by U.S. Issuers. We believe that to facilitate reaching the milestones, an established timeline is needed in addition to a more definitive picture of what the accomplishment of the milestones will look like. Currently, there appears to be considerable subjectivity as to the accomplishment of the milestones which will make measuring the progress difficult. Likewise, establishing a mandatory timeline for the adoption of IFRS will eliminate some of the ambiguity and ensure action toward the defined milestones. We believe the application of IFRS to U.S. privately held companies should be addressed to avoid creating a competitive disadvantage in conducting business, raising capital, being regulated and attracting talent in a global market and to avoid the operating burden of possibly multiple accounting bases being required by regulators and others.

3. Do commenters agree with the timing presented by the milestones? Why or why not? In particular, do commenters agree that the Commission should make a determination in 2011 whether to require use of IFRS by U.S. issuers? Should the Commission make a determination earlier or later than 2011? Are there any other timing considerations that the Commission should take into account?

We believe the timing presented in the milestones (i.e. large accelerated filers 2014, accelerated filers 2015 and non-accelerated filers 2016) is reasonable provided that the SEC adopts the Roadmap by January 2011 and provided that only one comparative year is required to be presented in the year of IFRS adoption. Since the conversion from U.S. GAAP to IFRS is complex, companies need sufficient time to prepare for a successful conversion to IFRS. Although driven by accounting and financial reporting, this change will affect many aspects of a company outside of the accounting and financial reporting function, including investor relations, information technology, operating processes, internal controls and the ability to obtain resources to implement these changes. Therefore the SEC should allow for two full years between its decision to proceed with the Roadmap and the opening balance sheet required for the adoption of IFRS. This time will be needed by accountants and auditors to obtain training on IFRS. In addition the two year time frame will also provide reasonable time for the financial statement users like investors, regulators, banks and others to obtain education on IFRS. Further the two years will be needed by universities to change their curriculum.

In the year of adoption of IFRS only one comparative year should be required. The accounting and financial reporting requirements of adopting IFRS, including only one comparative year, will require three years of balance sheets, as an opening balances sheet will be necessary to prepare the comparative year income statement. The operational impact of this is significant, considering all accounting policies will need to be converted to IFRS and accounting systems will need to run parallel for the overlapping years to ensure appropriate adoption. Likewise, we believe that investors, regulators and other financial statement users will focus on the current and one most recent comparative period as they will have to adjust to the significant changes also. In addition, there should be a moratorium on planned major changes to IFRS in the years of implementation. This will assist companies, auditors, regulators and other financial statement users to implement the necessary changes and reduce the risk of errors.

4. What are commenters' views on the mandated use of IFRS by U.S. issuers beginning in 2014, on an either staged-transition or non-staged transition basis? Should the date for mandated use be earlier or later? If the Commission requires the use of IFRS, should it do so on a staged or sequenced basis? If a staged or sequenced basis would be appropriate, what are commenters' views on the types of U.S. issuers that should first be subject to a requirement to file IFRS financial statements and those that should come later in time? Should any sequenced transition be based on the existing definitions of large accelerated filer and accelerated filer? Should the time period between stages be longer than one year, such as two or three years?

Even if one year of prior period comparable financial statements is required by the SEC upon the adoption of IFRS for all filers, then the time frame between the SEC's final decision in 2011 and 2014 appears inadequate. In order to allow for a successful transition to IFRS, there should be two full years between the final decision to require IFRS from all filers and the opening IFRS balance sheet date. In other words, if the decision to require IFRS is made by January 2011 and one prior year comparable IFRS financial statements is required, then the first year of filing should be for 2014 with 2013 as a comparative period and December 31, 2012 as the opening balance sheet under IFRS. If the decision is made later in 2011, the adoption should be delayed to 2015 to provide sufficient time for implementation. Insufficient time for the implementation will increase the risk of restatements, undermine investor confidence and raise the costs of implementation.

We believe the prior precedence of the SEC and other markets that have adopted IFRS should be considered. The SEC required one comparable year from Foreign Private Issuers; the EU required one comparable year, and other countries, such as Canada will require one comparable year upon the adoption of IFRS. We believe that one comparable year will be sufficient for financial statement users including investors, regulators and for the companies' internal use to make sound decisions.

We support the one year staggered phase in implementation of IFRS. A phased in implementation will allow training and resource allocation to occur at a reasonable pace, including making modifications for lessons learned by all aspects of the financial reporting system including the companies, auditors, regulators, investors and other financial statement users in addition to the education system. We support the current proposal to phase in implementation based on the SEC's current definition of a "large accelerated filer" and "accelerated filer." We believe that in addition to SEC registrants, consideration needs given to the adoption of IFRS by U.S. privately held companies. We believe that companies that want to adopt IFRS early should be permitted to do so regardless of the phased in implementation schedule.

5. What do commenters believe would be the effect on convergence if the Commission were to follow the proposed Roadmap or allow certain U.S. issuers to use IFRS as proposed?

Once the SEC finalizes the Roadmap, there will be increased incentive and pressure to increase efforts of convergence for all constituents, including the FASB, public and private companies, investors, regulators, banks, the education system and others impacted by the change in accounting model. We believe that the SEC should establish the Roadmap with mandatory dates for adoption, so all constituents are better able to plan for the adoption of IFRS. Until the SEC establishes mandatory dates of adoption, the SEC should strongly encourage the FASB to converge with the IASB on all new accounting standards. At this time, it appears inevitable that IFRS will be the accounting standard in the U.S. and it is contradictory and inefficient to continue to issue accounting standards different from IFRS.

6. Is it appropriate to exclude investment companies and other regulated entities filing or furnishing reports with the Commission from the scope of this Roadmap? Should any Roadmap to move to IFRS include these entities within its scope? Should these considerations be a part of the Roadmap? Are there other classes of issuers that should be excluded from present consideration and be addressed separately?

A carve out for investment companies and other regulated entities undermines the primary goals and benefits of requiring IFRS from all SEC filers. In addition, we believe that consideration needs given to the affects of having two different accounting frameworks in the U.S. (i.e. GAAP and IFRS) and the impact on private companies, regulators, banks, the education system and others. It would appear that one accounting framework is the most viable and efficient model considering that U.S. private companies, regulators, banks and the education system are all involved in the global market.

7. Do commenters agree that these matters would affect market participants in the United States as described above? What other matters may affect market participants? Are there other market participants that would be affected by the use by U.S. issuers of IFRS in their Commission filings? If so, who are they and how would they be affected?

We believe that the adoption of IFRS will likely affect all U.S. market participants in some way. In addition, we believe that entities remaining on U.S. GAAP, as the rest of the world moves to IFRS, will be placed in a competitive disadvantage. As other businesses, investors, regulators, banks and the education system move to IFRS, it will become increasingly more difficult to do business, obtain capital and credit, and attract talent.

The National Association of Insurance Commissioners (NAIC) publishes statutory accounting principles ("U.S. SAP") for use by insurance companies in their filings with state regulators. Much of the foundation of U.S. SAP is obtained from U.S. GAAP. A decision to require IFRS from U.S. issuers will require the NAIC to assess whether IFRS is an appropriate basis for statutory filings. The SEC, NAIC and other financial regulators should establish regular communications to discuss the impacts of IFRS convergence. However with that, we believe it would put the U.S. insurance system at a competitive disadvantage to not converge with IFRS in place of U.S. GAAP for the same reasons outlined in the paragraph above.

In regards to the Internal Revenue Service (IRS) Tax Code (the Code), for most companies' their taxable income starts with U.S. GAAP income and is adjusted to an ultimate taxable income on their tax return via tax adjustments (M-1s) for U.S. GAAP and Code policy differences. For insurance companies, taxable income starts with U.S. SAP and is adjusted for M-1s. Since IFRS will affect both U.S. GAAP and U.S. SAP accounting frameworks, we believe consideration should be given as to any Code tax affects. Each accounting policy change will need to be considered under the Code to determine if it is a change in M-1 or a change in taxable income. Likewise, in some instances the Code has the same policy as U.S. GAAP or the Code makes a calculation based upon U.S. GAAP which will need evaluated by the IRS and companies. Depending upon the changes and affects, companies will need time to consider the impact to their tax position.

8. Would a requirement that U.S. Issuers file financial statements prepared in accordance with IFRS have any affect on audit quality, the availability of audit services, or concentration of market share among certain audit firms (such as firms with existing international networks)? Would such a requirement affect the competitive position of some firms? If the competitiveness of some firms would be adversely affected, would these effects be disproportionately felt by firms other than the largest firms?

We believe that the affect on audit quality and the availability of audit services because of the adoption of IFRS may be best mitigated by the SEC providing a minimum of two full years between its mandate of the Roadmap and the opening balance sheet required for the comparative year under IFRS. In addition to the two years, the phase in of IFRS will allow the audit firms additional time to obtain resources and train personnel on IFRS. Because the audit firms are already training personnel on IFRS and discussing implementation issues with companies, finalizing the Roadmap in a timely manner will enable firms to commit and develop the necessary resources.

9. What are commenters' views on the IASB's and FASB's joint work plan? Does the work plan serve to promote a single set of high-quality globally accepted accounting standards? Why or why not?

The joint convergence plan has progressed with some success however, significant work is still needed. Four key areas, Revenue Recognition, Financial Statement Presentation, Conceptual Framework and Insurance Contracts, if brought to convergence, would be an indicator of significant progress. We believe that complete convergence of these key areas is critical to the success of the project.

Overall, we believe that the FASB and IASB should work together such that all new or modified U.S. GAAP standards converge with IFRS. We believe that this would create substantial and practical movement toward convergence. Both rule making bodies continue to issue accounting standards with significant differences (i.e. derivatives) at a time when the SEC is within two years of making a decision on convergence. These differences must be eliminated to converge. We believe that if the FASB and IASB converge all new or modified standards, this would create significant progress which would also significantly

10. How will the Commission's expectation of progress on the IASB's and FASB's joint work plan impact U.S. investors, U.S. issuers, and U.S. markets? What steps should be taken to promote further progress by the two standard setters?

Timely and significant progress under the joint work plan is critical to the success of IFRS convergence as proposed by the Roadmap. The SEC should continue to require progress, indicated by eliminating IFRS and GAAP differences in new accounting standards. The more IFRS and US GAAP converge in new accounting standards, the more seamless the transition will be for the entire market place, including the companies, investors, regulators, banks, the education system and others.

11. The current phase of the IASB's and FASB's joint work plan is scheduled to end in 2011. How should the Commission measure the IASB's and FASB's progress on a going-forward basis? What factors should the Commission evaluate in assessing the IASB's and the FASB's work under the joint work plan?

See our response above to questions 9 and 10.

12. What are investors', U.S. issuers', and other market participants' views on the resolution of the IASB governance and funding issues identified in this release?

a. Funding

The IASC Foundation has been working to secure global funding for the IASB, which they recognize as essential to its independence. In 2008, the IASC Foundation succeeded in establishing national funding in many countries, including the European Commission, proposed public funding for the IASC Foundation. The IASC Foundation will achieve a funding milestone when the U.S. converts to IFRS and additional funding is directed from the U.S. public company assessment to the IASB. Though significant progress has been made, a framework for the complete funding of the IASC Foundation is necessary to ensure the independence and success of the IASB.

b. Public Accountability

We believe that public accountability and transparency are important to the world wide acceptance and reliability of the IASB governance. As the IASB works with other jurisdictions in the establishment of due process, this will raise the public accountability and reliability of the IASB.

c. Due Process

To achieve the goal of a single set of principles based, codified, globally accepted accounting standards, the engagement and support of the relevant market place authorities is needed. For the IASB to achieve this, due process needs established that provides the opportunity for the participation of all stakeholders in the financial reporting system. Transparent due process should provide a platform where new accounting standards may be introduced and existing standards may be modified for proven and substantial reasons. With that, the standards should be principles based, considering the needs of timely, relevant and useful information to investors and considering the cost-benefit to the market place. Such a due process will help ensure the consistent quality, acceptance and enforcement of the accounting standards.

13. What steps should the Commission and others take in order to determine whether U.S. investors, U.S. issuers, and other market participants are ready to transition to IFRS? How should the Commission measure the progress of U.S. investors, U.S. issuers, and other market participants in this area? What specific factors should the Commission consider?

As discussed above, we believe the SEC should approve the Roadmap by January 2011, modified to require only one comparative year. The timing of this decision will provide two years to prepare the December 31, 2012 balance sheet for the presentation of the 2014 and 2013 financial statements under IFRS. If the SEC fully commits to this plan, companies, auditors, regulators, the education system and others impacted by IFRS will have an established, mandatory time frame to evaluate their needs, obtain the necessary resources and implement the changes affected by the adoption of IFRS.

Also as discussed above, serious and substantial consideration should be given to the reasons to support new or modified accounting standards that differ from IFRS. Essentially, the convergence with IFRS could start today if the new accounting standards issued are consistent with IFRS. We ask the SEC to not over look or under estimate the impact of this issue. Significant resources and focus are placed on the adoption of new accounting standards, not only in preparation for adoption but afterwards in monitoring the newly established accounting processes, systems and controls for effectiveness. These resources and efforts could be used to start a transition today, if there is a commitment to making IFRS work.

14. Are there any other significant issues the Commission should evaluate in assessing whether IFRS is sufficiently comprehensive?

We believe that IFRS is incomplete without specific standards for valuing insurance liabilities. IFRS 4 is a temporary standard that for the most part provides that insurance companies continue their pre-IFRS accounting for insurance contracts. Successful completion of the joint IASB/FASB project on accounting for insurance contracts, resulting in standards appropriate for the U.S. insurance business should be a requirement of the Roadmap. The other areas of development and convergence identified in the Roadmap (i.e. Revenue Recognition and Financial Statement Presentation) are critical as well.

It is important that standards adopted, such as those for disclosure of contingent liabilities, recognize the legal and business realities in the U.S. as well as those of other jurisdictions. The due process of forming new accounting standards under IFRS will need to consider the business risks and other real impacts of the standard in relation to the varying laws and customs of all countries.

In addition, a thorough study of the performance of "fair value" accounting during varying economic and market conditions should be made. The Commission's recent report to Congress begins to address these issues, but we believe further analysis would be beneficial. The IASB and FASB should work to determine if the balance sheet values reported under the current standards are an appropriate and accurate reflection on the income and capitalization of the reporting entities during the varying market conditions.

15. Where a standard is absent under IFRS and management must develop and apply an accounting policy (such as described in IAS 8, for example) should the Commission require issuers to provide supplemental disclosures of the accounting policies they have elected and applied, to the extent such disclosures have not been included in the financial statements?

We believe that all significant accounting policies should be disclosed in the notes to the financial statements. Such disclosures are necessary to provide financial statement users understanding of the financial statements and make the financial statements comparable, in particular within an industry. We note that this is consistent with the requirements of IAS 1, *Presentation of Financial Statements*.

We hope these comments assist you during your deliberations of the proposed Roadmap. In the event that you would like any further clarification of our considerations, we are happy to discuss them in greater detail.

Sincerely,

Martha L. Frye
Senior Vice President and Chief Accounting Officer
Nationwide Insurance