D. Keith Bell
Senior Vice President
Accounting Policy

The Travelers Companies, Inc.
One Tower Square, 6PB A
Hartford, CT 06183

Phone: 860-277-0537
Email: *d.keith.bell@travelers.com*

April 20, 2009

Ms. Florence Harmon
Acting Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Via E-mail: rule-comments@sec.gov
RE: File Number S7-27-08

Dear Ms. Harmon:

The Travelers Companies, Inc. (Travelers) appreciates the opportunity to provide comments to the Securities and Exchange Commission (SEC) for the proposed rule, *Roadmap for the Potential Use of Financial Statements Prepared In Accordance With International Financial Reporting Standards (IFRS) by U.S. Issuers* (the Roadmap). Travelers is a leading provider of property and casualty insurance products and services to a wide variety of businesses and organizations as well as to individuals. Travelers is primarily a domestic property and casualty insurer, but does write property and casualty business internationally in countries that have either adopted or are about to adopt IFRS. In support of our property and casualty liabilities, Travelers holds a significant investment portfolio of over $70 billion (including foreign investments) in invested assets at December 31, 2008. In this letter our comments are from the perspective of both a preparer and user of financial statements.

Conceptually, Travelers agrees that consistent global accounting standards would be in the best interest of investors. However, due to practical limitations and constraints imposed by jurisdictional differences (legal and regulatory), we believe that continued convergence between the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) is the preferred course of action rather than a pure adoption of IFRS by U.S. issuers. In this comment letter we will discuss the practical limitations and constraints of obtaining one set of global accounting standards, considerations specific to a U.S. adoption of IFRS, concerns and recommendations on implementation if the Commission follows the path laid out in the Roadmap, and our recommendation as to how to proceed with convergence.

Practical Limitations and Constraints

We believe that the development of "one set of high quality global accounting standards" is arguably compelling, until one contemplates what is necessary for this to actually occur. We believe that convergence to a single set of accounting standards would require several things to occur, including the following:

- *Global Acceptance of IFRS as Adopted by the IASB* - Although IFRS is touted as being used in over 100 countries, it is important to note that in many countries there was not a wholesale adoption of IFRS as adopted by the IASB. Variations on IFRS adopted by the IASB include the European Carve-out and the scoping out of certain financial institutions in Israel and Mexico.

- *National Regulators Ceasing the Issuance of Interpretive Guidance* – the SEC and other national regulators would have to refrain from providing interpretive guidance. We do not believe that this is likely nor is it necessarily appropriate. It may be difficult for national securities regulators, including the SEC, to effectively provide comfort to investors without the ability to issue interpretive guidance or supersede guidance that may not be appropriate in a particular jurisdiction.

- *Similar Legal, Regulatory and Judicial Environments* – the legal, regulatory and judicial systems need to be similar for one set of global accounting standards to accurately portray the underlying economics of what appear to be similar transactions. Some examples that come to mind include the uncertainties associated with the outcome of litigation within the U.S. legal system compared to other legal systems which create significantly more difficulty for preparers to estimate the value of the potential outcome, if it is even possible; and the differences in banking systems under the various regulatory jurisdictions throughout the world.

Failure to address any one of these issues may result in situations where it appears preparers are issuing comparable financial statements when there are significant differences, or situations where similar transactions are not accounted for and reported in a similar manner. Obviously, this would not be a favorable outcome for investors. In addition, it would be costly for U.S. preparers to adopt a new financial reporting system that is no more comparable globally than U.S. GAAP.

Considerations Specific to a U.S. Adoption of IFRS

There are several questions that come to mind when thinking about the potential U.S. adoption of IFRS. First, are U.S. investors and preparers better off under IFRS as adopted by the IASB, or current U.S. GAAP? This question is difficult to answer since the comparison is between one set of standards that has been developed over many years based on the U.S. legal, regulatory and judicial environment, versus an incomplete, relatively new set of standards that for the most part has not been tested within the U.S. environment.   We believe that as part of the Roadmap, if it moves forward, existing

IFRS needs to be tested for appropriateness in the legal, regulatory and judicial environment in the U.S. For example, we believe that some of the required qualitative disclosures in IFRS 7, *Financial Instruments: Disclosures*, would be problematic for preparers in the U.S., since they are typically reported in the Management's Discussion and Analysis section in filings with the SEC, which is subject to legal protections that the notes to the financial statements do not have. Additionally, there would have to be a full discovery of where U.S. GAAP is used by preparers to support undeveloped areas of IFRS or U.S. GAAP provides interpretive guidance. These areas would have to be codified into IFRS prior to the elimination of U.S. GAAP.

Second, what will happen to standard setting for privately owned companies as the SEC does not have the authority to require states to cede authority to a non-U.S. standard setter? The potential for having two accepted U.S. GAAPs would be inefficient and confusing to users of financial statements. In addition, it creates non-GAAP issues in consolidated financial statements for large public companies that have holdings in U.S. investment companies that are not subject to the SEC and it increases the cost of training for public accounting firms to train staff under two sets of rules, as well as causing curriculum issues for universities.

Concerns with the Roadmap as Drafted

If the SEC decides to move forward with the Roadmap, we have the following concerns:

- The timeframe discussed in the Roadmap does not allow ample time for preparers to properly implement IFRS. If the SEC decides in 2011 to adopt IFRS and requires three years of comparable information, preparers would have less than a year to review each IFRS pronouncement, select and document accounting policy elections, make necessary system changes, and ensure that all revised and new processes comply with the Sarbanes-Oxley Act. We would recommend providing two years for preparers to implement prior to the first comparable period required.

- The timeframe in the Roadmap does not consider the timing of the current IASB projects (Conceptual Framework, Revenue Recognition, Financial Statement Presentation, Insurance Contracts, etc.). Assuming that the IASB meets their 2011 objective for issuing new guidance on these projects with effective dates beginning in 2014, U.S. issuers would have to implement new IFRS standards during their convergence projects. Additionally, any early adopters could have substantial changes in accounting subsequent to their adoption of IFRS. If the SEC continues down the path of requiring IFRS, we strongly recommend that the SEC wait until these significant projects are completed and IFRS is in more of a steady state prior to adoption.

- We are confused by allowing early adoption when the milestones have not been met. It does not seem prudent to allow entities to adopt prior to determination of whether IFRS should be accepted within the U.S.

- To be consistent with other first time adopters and to make it less costly and burdensome for preparers, it would seem that presenting financial statements with two years of information in the year of adoption should be sufficient. Maintaining dual systems and processes for more than one year poses significant costs for preparers.

Travelers Recommendation

We believe that the most logical path for convergence of accounting standards is the continued existence of the FASB coupled with a mandate to converge accounting standards with the IASB to the extent that convergence is compatible with the U.S. legal, regulatory, and judiciary systems. This approach should have the long-term goal of developing and maintaining substantially similar accounting frameworks and standards. We believe this path allows for a continued voice for U.S. preparers, users, regulators and other interested parties and would allow for the continued use of one set of accounting standards within the U.S. Additionally, it would allow the FASB and IASB to deliberate which standards are superior over a reasonable timeframe, while allowing the FASB to consider how any new standard would be impacted by the legal, regulatory, and judicial environment in the U.S.

Thank you for your consideration of our views on the Roadmap. If you have any questions or would like to discuss our comments, please feel free to call me at (860) 277-0537.

Regards,

D. Keith Bell

D. Keith Bell

cc: Jay S. Benet
Vice Chairman and Chief Financial Officer