



Association of Bermuda Insurers and Reinsurers

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February 25, 2009

Via Electronic Transmittal

The Honorable Max Baucus
Chairman
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Charles Grassley
Ranking Member
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Charles B. Rangel
Chairman
House Ways and Means Committee
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Richard Neal
Chairman
Select Revenue Measures Subcommittee
House Ways and Means Committee
1136 Longworth House Office Building
Washington, DC 20515

The Honorable Dave Camp
Ranking Member
House Ways and Means Committee
1102 Longworth House Office Building
Washington, DC 20515

Dear Sirs:

On behalf of the member companies of the Association of Bermuda Insurers and Reinsurers (ABIR), I am pleased to submit ABIR's Comments on the proposal set forth in the December 10, 2008 Staff Discussion Draft and accompanying Technical Explanation (the Staff Proposal) that would disallow otherwise allowable deductions for property and casualty (P&C) reinsurance premiums paid to certain affiliates.

ABIR members strongly object to the Staff Proposal for the reasons contained in the attached Executive Summary and detailed in our Comments. We find no credible tax policy justification for it, and we cannot see any basis for singling out the global reinsurance industry for the draconian tax treatment that is proposed. Moreover, we are seriously concerned that U.S. consumers would suffer from constraints on the affordability and availability of P&C insurance if the Staff Proposal were adopted.

We look forward to working with you and your staff to address the issues presented in our comments, and we hope our views will be fully considered before any decision is finalized.

Thank you for your consideration.

Sincerely yours,

A handwritten signature in black ink that reads 'Bradley Kading'.

Bradley Kading
President and Executive Director

Attachment

cc: Russ Sullivan, Democratic Staff Director, Senate Finance Committee