

**American Council of Life Insurers
American Insurance Association
Reinsurance Association of America**

September 16, 2005

Jeffrey Owens
Head
Centre for Tax Policy and Administration
Organisation for Economic Cooperation and Development
2, rue Andre Pascal
75775 Paris
FRANCE

Re: Discussion Draft of the Report on the Attribution of Profits to a Permanent Establishment – Part IV (Insurance)

Dear Sir:

The American Council of Life Insurers, the American Insurance Association, and the Reinsurance Association of America (collectively referred to herein as “the Associations”) represent over 800 U.S. insurance and reinsurance companies. The Associations’ members, U.S.-owned and foreign-owned, together write a substantial portion of the life and property and casualty insurance and reinsurance provided by the U.S. insurance industry in the U.S. and globally.

On September 16, 2005, the Chair of the BIAC Committee on Taxation and Fiscal Affairs submitted detailed comments on the OECD’s Discussion Draft of the Report on the Attribution of Profits to a Permanent Establishment – Part IV (Insurance) (“the Report”), which was released for public comment on June 27, 2005. The Associations were pleased to have had a role in the development of these comments both individually and/or through our member companies.

The Associations join BIAC in commending the OECD’s efforts to draft a thoughtful analysis of the application of the authorized OECD approach to multinational insurance operations. We also share the goal of a final OECD Report that recognizes the insurance industry’s regulatory environment and produces sound and administrable tax policy. The Associations endorse BIAC’s comments on the Report.

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The Associations look forward to being included in the process as the OECD moves toward finalization of the Report. In the meantime, please do not hesitate to call the undersigned if you have any questions or there is anything we can do to be of assistance.

Very truly yours,

American Council of Life Insurers
101 Constitution Avenue, NW
Suite 700
Washington DC 20001-2133
By: Mark Canter
Senior Counsel, Federal Taxes
202.624.2108
markcanter@acli.com

American Insurance Association
1130 Connecticut Avenue, NW
Suite 1000
Washington DC 20036
By: Allan J. Stein
Vice President and Assistant General Counsel
202.828.7100
astein@aiadc.org

Reinsurance Association of America
1301 Pennsylvania Avenue, NW
Suite 900
Washington DC 20004-1701
By: Joseph Sieverling
Senior Vice President and Director of Financial Services
202.638.3690
sieverling@reinsurance.org