Scott R. Lewis
Senior Vice President and Controller
The Hartford Financial Services Group, Inc.
One Hartford Plaza
Hartford, CT 06155

November 18, 2015

Todd E. Hardiman
Associate Chief Accountant
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Via e-mail to rule-comments@sec.gov

Reference: File Number S7-20-15, *Request for Comment on the Effectiveness of Financial Disclosures About Entities Other Than the Registrant*

Dear Mr. Hardiman:

The Hartford Financial Services Group Inc. ("The Hartford" or "we") appreciates the opportunity to comment on the *Request for Comment on the Effectiveness of Financial Disclosures about Entities Other Than the Registrant.* The Hartford provides property and casualty and group benefits insurance, as well as investment products to both individual and business customers in the United States of America. We also continue to manage life and annuity products previously sold. As of December 31, 2014, The Hartford's investment portfolio included nearly $3 billion of investments in slightly over 200 limited partnerships and similar entities (hereafter "limited partnership investments") accounted for under the equity method which is the reason for this comment letter.

We support the SEC's review of disclosure requirements under the "*Disclosure Effectiveness Initiative*" and have one comment relevant to this initial request which focuses on disclosures about entities other than the registrant. We recommend that the scope of Regulation S-X, Rule 4-08(g) *Summarized financial information of subsidiaries not consolidated and 50 percent or less owned persons* be limited to investments accounted for under the equity method where there is significant influence, consistent with GAAP promulgated by the Financial Accounting Standards Board. Disclosure of the aggregate assets, liabilities and net income of investees for which the registrant does not have significant influence is not decision-useful and is costly to prepare.

Rule 4-08(g) requires aggregate quantitative disclosures of the equity method investees' assets, liabilities and net income when certain quantitative thresholds for determining significance under Rule 1-02(w) are reached in the aggregate – generally when the investments are 10% of assets, investments or net income. SEC Staff guidance requires the equity method of accounting for limited partnership investments even in cases where the investor has less than significant influence. That guidance requires the use of the equity method unless the investor's interest is so minor that the limited partner has virtually no influence[1]. GAAP promulgated by the Financial Accounting Standards Board only requires the aggregate disclosures for equity investments for which the investor has significant influence (generally greater than 20%)[2]. We agree with the use of the equity method of accounting for

[1] SEC Staff Announcement: Accounting for Limited Partnership Investments in ASC 323-30-S99-1: The SEC staff's position on the application of the equity method to investments in limited partnerships is that investments in all limited partnerships should be accounted for pursuant to paragraph 970-323-25-6. That guidance requires the use of the equity method unless the investor's interest "is so minor that the limited partner may have virtually no influence over partnership operating and financial policies." The SEC staff understands that practice generally has viewed investments of more than 3 to 5 percent to be more than minor.

[2] ASC 323-10-50-1 provides that equity method accounting applies to "both common stock and in-substance common stock that give the investor the ability to exercise significant influence over operating and financial policies of an investee." Paragraph 50-3c contains the disclosure requirement for these investments: "If investments in common stock… or other investments accounted for under the equity method are, in the aggregate, material in relation to the financial position or results

limited partnership investments where the investor does not have significant influence as allowed by GAAP[3] but disagree with the aggregate quantitative disclosures about these investees. We believe there is a disconnect in the SEC guidance between the use of equity method accounting for these investments and the disclosure requirements, In contrast, GAAP allows the use of equity method of accounting for measurement but requires the aggregate disclosures only for those investees where the investor has significant influence. We believe the SEC disclosure requirements should align with GAAP.

These disclosures require significant resources to prepare with no added benefit to investors. The Hartford's limited partnership investments are of a passive nature and we predominantly hold less than a 3% interest. To compile the aggregate amounts for the disclosure requires tabulating financial information from financial statements of 200-plus limited partnerships. The information is not useful to either management or investors and may confuse investors as to our ownership and influence in these investments. We believe an appropriate analogy is common stock equity investments not accounted for under the equity method where aggregate disclosure of investee financial information is not required. The attachment highlights our current disclosures pursuant to this requirement.

Thank you for the opportunity to comment. Please contact me at [redacted] or [redacted] if you would like to discuss our suggestion.

Sincerely,

Scott R. Lewis

Attachment: As above

---

of operations of an investor, it may be necessary for summarized information as to assets, liabilities, and results of operations of the investees to be disclosed in the notes or in separate statements, either individually or in groups, as appropriate."

[3] ASC 970-323-25-6 provides "The equity method of accounting for investments in general partnerships is generally appropriate for accounting by limited partners for their investments in limited partnerships." And, more generally, ASC 323-10-05-4 and -5 indicate that "The equity method is an appropriate means…[because]…the equity method of accounting more closely meets the objectives of accrual accounting than does the cost method because the investor recognizes its share of the earnings and losses of the investee in the periods in which they are reflected in the accounts of the investee.",; and "The equity method tends to be most appropriate if an investment enables the investor to influence the operating or financial decisions of the investee. The investor then has a degree of responsibility for the return on its investment, and it is appropriate to include in the results of operations of the investor its share of the earnings or losses of the investee. Influence tends to be more effective as the investor's percent of ownership in the voting stock of the investee increases. Investments of relatively small percentages of voting stock of an investee tend to be passive in nature and enable the investor to have little or no influence on the operations of the investee."

Attachment
Excerpt of The Hartford’s 2014 Form 10-K, Note 6

Equity Method Investments

The majority of the Company's investments in limited partnerships and other alternative investments, including hedge funds, mortgage and real estate funds, mezzanine debt funds, and private equity and other funds (collectively, “limited partnerships”), are accounted for under the equity method of accounting. The Company’s maximum exposure to loss as of December 31, 2014 is limited to the total carrying value of $2.9 billion. In addition, the Company has outstanding commitments totaling $604 million to fund limited partnership and other alternative investments as of December 31, 2014. The Company’s investments in limited partnerships are generally of a passive nature in that the Company does not take an active role in the management of the limited partnerships. **In 2014, aggregate investment income from limited partnerships and other alternative investments exceeded 10% of the Company’s pre-tax consolidated net income. Accordingly, the Company is disclosing aggregated summarized financial data for the Company’s limited partnership investments. This aggregated summarized financial data does not represent the Company’s proportionate share of limited partnership assets or earnings. Aggregate total assets of the limited partnerships in which the Company invested totaled $85.8 billion and $85.6 billion as of December 31, 2014 and 2013, respectively. Aggregate total liabilities of the limited partnerships in which the Company invested totaled $10.6 billion and $11.4 billion as of December 31, 2014 and 2013, respectively. Aggregate net investment income of the limited partnerships in which the Company invested totaled $3.6 billion, $1.8 billion and $1.0 billion for the periods ended December 31, 2014, 2013 and 2012, respectively. Aggregate net income of the limited partnerships in which the Company invested totaled $9.6 billion, $8.4 billion and $7.2 billion for the periods ended December 31, 2014, 2013 and 2012, respectively. As of, and for the period ended, December 31, 2014, the aggregated summarized financial data reflects the latest available financial information.**