From: Robert J Vairo

Subject: Electronic Fund Transfers

Comments:

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Comments:

I''m not sure this it the right proposal for my comment, but if not, please route it to the right person. As the former CEO of a national insurance company with some 12,000 employees at the time, I had to approve hundreds of bonuses for key officers. Our business was taking risks and if evaluated and priced correctly, we would make a profit over the long term. This particularly applied to risks that were not fully matured until a number of years went by such as products liability, workers compensation and other so-called long tail business. As such, it would have been imprudent to base bonusses on the results of last year''s results and ignoring what the long tail had in store when last year''s risk fully matured. That is a similar scenario with bank loans. No bonus should be paid based on one year''s results. Bonuses should only be paid when the loans (business risks) attributable to an individual can be reasonabley evaluated and judged profitable. To assure some measure of reward, the bonus can be phased in over time with partial payments made in early years and the full bonus paid when the results of prior years business matures and can be evaluated. The AIG mess is obviously based on some loose, one year performance that created a contractually obligated payment without knowing or ignoring the full extent of the risk exposure over time. Any change in regulations should take these comments into consideration to assure an acceptable outcome.