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October 23, 2012

Mr. Michael Didiuk
United States Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

RE: Registration Requirements under
the Investment Advisers Act of 1940

Dear Mr. Didiuk:

We are writing on behalf of TACT Asset Management Inc. ("TACT"), a Delaware corporation that has its only place of business located in the State of New York. We respectfully request that the staff of the Division of Investment Management (the "Staff") not recommend enforcement action to the U.S. Securities and Exchange Commission (the "Commission") if TACT does not register with the Commission as an investment adviser under Section 203(a) of the United States Investment Advisers Act of 1940, 15 USC §§ 80b-1 – 80b-18c (the "Advisers Act"). We believe TACT is excepted from the Section 203(a) registration requirement pursuant to the exemption provided in Section 203(b)(2) of the Advisers Act for any investment adviser whose only clients are insurance companies.

TACT is a wholly-owned subsidiary of Sompo Japan Nipponkoa Asset Management Co., Ltd. ("SJNAM"), a Japanese investment adviser. SJNAM does not provide investment advice to any United States clients and is not registered as an investment adviser under the Advisers Act. SJNAM is regulated as an investment adviser by the Financial Service Agency, the Japanese regulatory authority for investment advisers, under Japan's Financial Instrument and Exchange Act.

SJNAM has entered into a discretionary investment agreement with Nipponkoa Insurance Co., Ltd. ("Nipponkoa"), an insurance company organized under the laws of Japan. Nipponkoa is primarily engaged in the business of writing insurance policies, mainly in the fields of fire insurance, marine insurance and automobile insurance, and also operates in the reinsurance business. Nipponkoa is licensed in Japan to conduct its insurance business and is regulated by the Financial Services Agency of Japan, the Japanese insurance regulator. Nipponkoa satisfies the requirements to be a "foreign insurance company" as defined in Rule 3a-6 under the United States Investment Company Act of 1940, 17 C.F.R. § 270.3a-6 (2011) (the "Investment Company Act").

TACT is party to an investment advisory agreement with SJNAM, pursuant to which TACT provides investment advice for, and assists with, through SJNAM, the management of the portion of Nipponkoa's general proprietary account invested in United States securities. TACT has no clients other than Nipponkoa.

One of the exemptions from the registration requirements under the Advisers Act is the exemption set forth in Section 203(b)(2) of the Advisers Act for advisers whose only clients are insurance companies. The Advisers Act provides that the term "insurance company" has the same meanings as defined in the Investment Company Act. "Insurance company" is defined in the Investment Company Act to mean "a company which is organized as an insurance company, whose primary and predominant business activity is the writing of insurance or the reinsuring of risks underwritten by insurance companies, and which is subject to supervision by the insurance commissioner or a similar official or agency of a *State*" (*emphasis added*).[1]

As a foreign country is not a "State" as defined in the Investment Company Act, an insurance company domiciled in a foreign country and subject to supervision by an agency of the foreign country does not directly meet the definition of "insurance company" under the Investment Company Act or, indirectly, the Advisers Act. This oversight generally was rectified by the Commission when it adopted Rule 3a-6 to exempt bona fide foreign insurance companies from the definition of "investment company" under the Investment Company Act.[2]

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[1] 15 U.S.C. § 80a-2(a)(17).

[2] In order to be an exempt foreign insurance company under the 1940 Act, a foreign insurance company must (i) be incorporated or organized under the law of a country other than the United States, (ii) be regulated as an insurance company by that country's government or any agency

When the Commission adopted Rule 3a-6, however, it did not amend the definition of "insurance company" set forth in Section 2(a)(17) of the Investment Company Act, which would have afforded foreign insurance companies the same status as domestic companies for all purposes under the Investment Company Act and, presumably, the Advisers Act. Instead, the Commission stated that the determination of whether a foreign insurance company could be allowed to fulfill the roles assigned to domestic insurance companies would depend upon the "particular role involved." [3]

Investment advisers whose only clients are insurance companies, whether foreign or domestic, should not be required to register or be regulated under the Advisers Act, because the adviser's role is the same whether they are advising domestic or foreign insurance companies. In both cases, the adviser provides investment advice solely to companies engaged primarily in the business of writing insurance and reinsurance and that are regulated by their local insurance regulators. Accordingly, foreign insurance companies that meet the requirements of Rule 3a-6 are no more in need of the protections of the Advisers Act if they hire a United States investment adviser than domestic insurance companies need such protections, just as the Commission determined that investors in foreign insurance companies that meet the requirements of Rule 3a-6 do not need the protections of the Investment Company Act any more than investors in domestic insurance companies. Furthermore, the decision by the Commission to adopt Rule 3a-6 presumably was made in part because a United States regulator such as the Commission has a greater interest in protecting domestic insurance companies and their customers and investors than protecting foreign insurance companies and their customers and investors. If Congress determined that regulatory protections were not necessary under the Investment Company Act and Advisers Act for domestic insurance companies that hire United States investment advisers, then the Commission need not expend its finite resources regulating United States investment advisers whose only clients are bona fide foreign insurance companies.

In light of the foregoing, United States investment advisers whose only clients are insurance companies, whether those clients are domestic insurance

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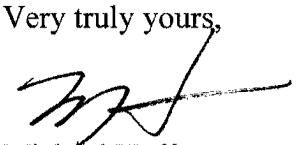
thereof, (iii) be engaged primarily and predominantly in either of (a) the writing of insurance agreements or (b) the reinsurance of risks on such agreements underwritten by insurance companies, and (iv) not be operated for the purpose of evading the provision of the 1940 Act. 17 C.F.R. § 270.3a-6.

[3] *See* Exception From the Definition of Investment for Foreign Insurance Companies, Securities Act Release No. 6921, Investment Company Act No. 18381, 1991 WL 355055 (Oct. 28, 1991), at *3 n.9.

companies, foreign insurance companies that meet the requirements of Rule 3a-6 or a mixture of such insurance companies, should not be required to register with the Commission in reliance on Section 203(b)(2) of the Advisers Act. Such equal treatment of foreign and domestic insurance companies also would further the Commission's stated intent in adopting Rule 3a-6 "to place foreign banks and insurance companies selling their securities in the United States on a more equal footing with domestic banks and insurance companies in furtherance of the policies of national treatment and open United States financial markets."[4]

On behalf of TACT, we hereby request that the Staff confirm that it will not recommend enforcement action to the Commission if TACT does not register with the Commission as an investment adviser under Section 203(a) of the Advisers Act in reliance on the exemption provided in Section 203(b)(2).

Very truly yours,



Michael Hoffman

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[4] Exception from the Definition of Investment for Foreign Insurance Companies, 1991 WL 355055, at *1.