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MEDIA ADVISORY

NEW YORK, Feb. 2 – Representatives of an organization of major life and property/casualty insurers and reinsurers opposed to the use of fair value accounting standards to evaluate the distressed assets of financial institutions are available for comment and analysis. The Obama administration is expected to announce a plan to value toxic assets shortly.

The Group of North American Insurance Enterprises (GNAIE) believes that the application of fair value accounting measurements to an inactive, illiquid, and disorderly market for structured credit products helped fuel the worldwide credit crisis.

GNAIE has and proposed its own set of recommendations to the FASB and the SEC and endorsed a recent report by The Group of 30 which called for the re-evaluation of fair value accounting standards. GNAIE believes that while fair value measurements did not cause the global credit crisis, unreliable, and non-transparent fair value measurements served as a powerful accelerant.

In situations where markets are not active, liquid or orderly, GNAIE's solution is to temporarily migrate from fair value accounting to an amortized cost/incurred loss methodology.

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To influence the development of international accounting and solvency standards to ensure that they result in robust, high quality standards for insurance enterprises.