



February 11, 2009

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Sir David Tweedie
Chairman, International Accounting Standards Board
30 Cannon Street
London, EC4M 6XH
United Kingdom

Dear Sir David:

We see that the IASB will discuss various aspects of measurement approaches for Insurance Contracts Project on Wednesday, February 18th.

To assist you in your deliberations, we have prepared two papers that summarize our views on the significant measurement attributes for life and non-life insurance. They are attached to give you a more concise summary of the GNAIE positions.

In our preliminary review of the IASB staff papers for next week's IASB Meeting, we are pleased to see that IASB staff recommends support for the use of fulfillment value as a measurement basis, and does not support the recognition of a gain at issue. We are hopeful that IASB members will agree with those staff recommendations.

In contrast, as it relates to the post-claim liability for non-life insurance contracts, we are very disappointed with the decision of the staff to leave the discounting item off the agenda for further debate and consideration by the IASB. More specifically, paragraph 44 of Agenda Paper 10A concludes that "in light of the arguments mentioned in the DP [*NB: Discussion Paper*] and arguments made by respondents, staff believes that the DP's position on discounting of claims liabilities is still appropriate."

We believe the discounting issue is one that remains an extreme concern and which directly impacts the usefulness of financial reporting for property/casualty insurance companies. Moreover, recent discussions on consideration of the basis for liability measurements between the FASB and the IASB illustrate there are differences in the approaches taken by the two boards in the methods to be used for measurement of liabilities.

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While the Boards may not ultimately agree with our position, we believe an issue this important should, at a minimum, be formally re-deliberated as part of the process of considering an Exposure Draft.

If you believe it would be helpful to discuss this by phone before the Wednesday session, please let me know and we can set something up.

Thank you for considering our views on this matter,

Best regards,

A handwritten signature in black ink that reads "Kevin Spataro". The signature is written in a cursive, slightly slanted style.

Kevin Spataro
Chairman, GNAIE Accounting Convergence Committee

KAS:dwb

Enclosures: (2)

Copies to: IASB Members
FASB Members
Jeffrey D. Cropsey
Hans van der Veen