

ACE Ltd. CFO and Group of North American Insurance Enterprises (GNAIE) Board Member, Philip Bancroft, Addresses Oversight Body of International Accounting Standards Board (IASB)

- GNAIE Provides Summary Highlights of Remarks to IASCF -

NEW YORK, NY – June 26, 2008 – The Group of North American Insurance Enterprises (GNAIE) today reported that Philip Bancroft, a GNAIE Board Member and Chief Financial Officer of ACE, Ltd., a global leader in insurance and reinsurance, recently addressed the International Accounting Standards Committee Foundation (IASCF), the oversight body of the International Accounting Standards Board (IASB). Mr. Bancroft spoke on behalf of GNAIE, an association of 18 leading insurance companies – including some of the largest global providers of insurance – from the United States, Canada and Bermuda focused on global financial reporting, accounting and solvency issues.

Mr. Bancroft's remarks were delivered on June 19, 2008 at a roundtable held in London, under the IASCF's Constitutional Review process, which is designed to address concerns with respect to public accountability, governance and the composition of the IASB.

Key highlights of Mr. Bancroft's remarks on the Constitutional Review process are as follows:

- GNAIE supports creating a Monitoring Group to improve accountability and due process at the IASB. GNAIE believes it is of critical importance for the IASCF to strengthen its proposals with respect to the proposed Monitoring Group's authorities and responsibilities within the constitutional review of the IASB.
- GNAIE strongly recommends that the IASCF establish enhanced structures and systems for ensuring that proposed accounting standards are vetted under appropriate due process standards. Specifically:
 - GNAIE believes that any proposed accounting standard should be field tested before it is applied, so that there is assurance that such a standard appropriately reflects the way affected companies manage and run their businesses, and provides financial reporting information that is, reliable, consistent, comparable and meaningful for financial decision-makers.
 - As evidenced by developments in the IASB's efforts to formulate accounting standards for the global insurance industry, IASB's preliminary views often include fundamental and theoretical changes from existing practices, and therefore cannot and should not be completely considered without a "practical application" test period.

In subsequent remarks, Philip Bancroft said, "We are now at a critical juncture in the development of global accounting standards for insurance contracts, and it is essential that the process allow for sufficient impact assessments, rather than be rushed or limited due to the urgencies of the moment in the global capital markets. GNAIE's foremost priority remains on assisting global accounting standard setters and regulators to develop and support high quality insurance accounting and solvency standards that are decision-useful, reliable, consistent, comparable and meaningful for financial decision-makers. We believe that a rushed process at this stage runs counter to these goals.

“What we have before us is a problem that can be turned into an opportunity. By conducting appropriate analyses and exercising caution before importing untested methodologies into how we assess insurance balance sheets, we can build a truly robust single set of global accounting standards for the international insurance industry. On the other hand, should untested accounting standards be rushed into implementation, the consequences for error or miscalculation for the broader capital markets could be severe. Accordingly, we urge the IASCF to establish appropriate field testing processes and systems for the IASB going forward.”

About GNAIE

GNAIE works to achieve high quality international accounting and solvency standards for insurance enterprises globally. The organization meets its goals through modeling of proposed accounting standards, analysis, comment and coordination with various end users of financial reports. The member companies of GNAIE also include: ACE Ltd.; AIG, Inc.; The Allstate Corporation; Axis Capital; Genworth Financial; The Hartford; Lincoln Financial; Manulife Financial; Metropolitan Life Insurance Company; New York Life Insurance Company; Partner Re; Principal Financial; Prudential Financial, Inc.; Renaissance Re; State Farm; Sun Life Financial; Travelers; and XL Capital, Ltd. For more information, please visit <http://gnaie.net/>.

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