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February 10, 2009

Mr. Jeffrey D. Cropsey
Project Manager, Insurance Contracts
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116

Dear Jeff:

We see that the FASB will have an Educational Session to discuss various aspects of measurement approaches for Insurance Contracts Project on Wednesday, February 11 at 9:00 a.m.

Previously, we sent you references to the various GNAIE Discussion Papers that had been prepared, taking into consideration the comments letters received on the IASB Preliminary Views Document on Insurance Contracts.

Since then, we have prepared two additional 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 the February 18th 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 the IASB and FASB 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 staff decision to leave the discounting item off the agenda for further debate and consideration by the IASB. 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."

The discounting issue that has been presented to the FASB in the past is one of extreme concern that both significantly and directly impacts the usefulness of financial reporting for property/casualty insurance companies. Moreover, recent discussions between the FASB and the IASB concerning the basis for liability measurements illustrate there continue to be differences in the approaches taken by the two boards in the methods to be used for measurement of liabilities.

GNAIE
Group of North American Insurance Enterprises
40 Exchange Place, Suite 1707
New York, NY 10005
UNITED STATES

++1-212-480-0808
info@insuranceaccounting.org
www.insuranceaccounting.org



Accordingly, while the FASB and the IASB may not ultimately agree with our position, we ask that an issue this important be, at a minimum, formally re-deliberated as part of the process of considering an Exposure Draft.

If you think that it would be helpful to discuss this by phone before the Wednesday Educational 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

cc: Hans van der Veen