

**Philip Bancroft
Testimony
IASCF Trustees Constitutional Hearing
New York, NY
October 6, 2009**

My name is Phil Bancroft and I am CFO of ACE Limited, a Bermuda based insurance and reinsurance company.

I am speaking today for the Group of North American Insurance Enterprises regarding comments submitted by GNAIE and six other insurance trade associations:

American Council of Life Insurers
American Insurance Association
The Life Insurance Association of Japan
Property Casualty Insurers Association of America
National Association of Mutual Insurance Companies
Reinsurance Association of America

The seven insurance associations have submitted detailed comments to the Trustees, but we would like to highlight a few key areas this morning.

The Monitoring Board (Question 4 – page 14)

We agree that the IASCF needs to work closely with those regulators who have responsibility for financial stability and systemic risk. That is why we suggested that in addition to securities regulators, the Monitoring Board should include representatives of the other regulators. **We recommend that the Monitoring Board be expanded to include the Chair of the Executive Committee of the International Association of Insurance Supervisors (IAIS) as a formal observer.**

Due Process (Question 7 – Page 18)

While the IASB has improved the transparency of its meetings and has made more documents publicly available, there remains a need for a clear statement of presumptive openness for all advisory and working groups and the Monitoring Board. Unless there is a valid reason for closing a session or not making documents public, all IASB board and working group meetings should be open and the documents should be public and this commitment should be included in the Constitution.

We further support the development of clear feedback loops so that information regarding the reasons the staff or Board rejects or accepts a recommendation is communicated to the commenter. We urge the Trustees to look at these issues as part of the oversight process.

Field Testing (no specific proposal made)

The IASB needs to recognize that in setting standards, those standards do have an impact on global markets. For this reason, we continue to urge the IASB to fully assess the impact of the standards prior to adoption of standards through field testing and other quantitative and qualitative methods to ensure that proposed standards are practicable and workable in all

environments. An appropriate impact assessment should be part of the due process and referenced in the Constitution.

Fast Track Process (Question 11 – page 22)

Standard-setters should generally not have a “fast-track” approach, for implementing new guidance or making changes to existing standards. Making decisions quickly rather than a comprehensive and thoughtful approach rarely produces a better outcome. In addition, trade associations also have a due process procedure which requires some time to development comments and some associations must also translate the proposals prior to beginning review. We do understand that under extreme conditions there may need to be shorter comment periods, but these should be rare. In such cases, special procedures should be clearly detailed allowing as much time for deliberation as possible and we support the cautious language proposed by the Trustees.