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GNAIE PRAISES MODIFIED IASB-FASB CONVERGENCE TIMETABLE

NEW YORK, June 3 – North American insurers and reinsurers applauded the joint decision of the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) to modify the timeline of the completion date of the convergence work plan for international accounting standards so it can provide additional time for public comment on its proposals.

Jerry de St. Paer, executive chairman of the Group of North American Insurance Enterprises (GNAIE), said the decision reflects “a commitment to a deliberate, diligent and participative process that values the input of stakeholders in developing comprehensive accounting standards of the highest quality.”

“In particular, this direction would provide the IASB and FASB with more time to better understand the unique characteristics and attributes of the insurance industry -- both life and non-life -- and the real world impact its proposals will have on it,” he said.

(more)

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

The modified strategy announced by FASB and IASB prioritizes major projects that will bring about significant improvement and convergence between IFRS and US GAAP, stagger the publication of Exposure Drafts and related consultations (such as public round table meetings) to enable the broad-based and effective stakeholder participation and issue a separate consultation document seeking stakeholder input about effective dates and transition methods.

The goal of GNAIE is to ensure that international accounting standards result in high quality accounting and solvency standards for insurance companies and, to that end, to increase communications between North American based insurers and international regulators and standard setters. GNAIE works to meet its goals through modeling of proposed accounting standards, analysis, comment and coordination with various end users of financial reports.

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