

Peter Clark Esq.
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

25 July 2008

Dear Peter,

I enclose a letter setting out the CFO Forum's views on the Insurance Contracts measurement attribute together with a paper that illustrates the size of day one profits that are anticipated to arise from proposed accounting for insurance contracts under IFRS Phase II.

The measurement attribute letter is accompanied by the CRO Forum's Market Value of Liabilities for Insurance Firms (Implementing elements for Solvency II). The day one profit paper uses published Market Consistent Embedded Value figures as a proxy for IFRS Phase II to illustrate the anticipated profits that would arise on inception of contracts.

Thank you for taking the time to meet with Jo Clube and Rebecca Wyatt last week to discuss the CFO Forum's draft principle around contract definition to replace the guaranteed insurability criteria in the Discussion Paper. We have been discussing this paper further this week, including reflecting on matters raised by you, and will be in a position to send you a revised paper in the near future.

We would be delighted to discuss the accompanying letter and paper with you at your convenience.

Yours sincerely,

A handwritten signature in blue ink, which appears to read "Hugh Francis". The signature is written in a cursive style with a prominent flourish at the end.

Hugh Francis
Chairman of CFO Forum Insurance Accounting Group