

Sir David Tweedie
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

20 April 2009

Dear Sir David

We are writing to you in response to your Request for views on the FASB amendments to fair value measurement and impairment accounting. This letter has been drafted by the European Insurance CFO Forum, which is a body representing the views of 20 of Europe's largest insurance companies.

We fully support the intention of the IASB and the FASB to work jointly to address issues arising from the financial crisis. It is important that the Boards' work in these areas is coordinated. We believe that a comprehensive project to provide a consistent global basis of reporting for financial instruments is an extremely important objective for the Boards and we fully support this being addressed with urgency.

We also believe that the areas covered by the FASB FSP's, notably fair value measurement in an inactive market and amendment of impairment accounting rules, are extremely important issues in themselves and also require urgent consideration by both Boards. Accordingly, we support the IASB taking on the FASB proposals for further consideration in the short term. We do not believe that short term work in these areas is necessarily contradictory to urgently advancing the comprehensive project as they represent issues that must be considered as part of that wider project and hence can be seen to represent a sub set of, or interim step in, that project.

We urge the IASB to confirm formally that the final FSP on fair value measurement issued by the FASB is completely consistent with IFRS, as referred to in the IASB's press release of 7 April. If this is not the case then we would support the urgent consideration of changes to IFRS to ensure that such consistency is achieved.

We have previously supported a revision to impairment accounting for AFS investments and we continue to believe that it is essential that an appropriate consistent model be developed and applied under both US GAAP and IFRS. Such a model will need to address not only the issues included in the FASB FSP on impairment but also other issues such as subsequent treatment of impaired assets. In that context, we note that there are a number of differences between IFRS and US GAAP in impairment accounting and hence any attempt to introduce the FSP proposals into IFRS would require careful consideration although we believe that some of the principles underlying the FSP proposals can be applied across the GAAP's. In particular, we would support a short term move, allowing immediate adoption, to reflect only credit loss impairments through profit and loss.

We acknowledge the difficulty of introducing the principles of the FSP proposals into IFRS and would note that there may be some practical application issues. These aspects will require consideration as part of the IASB's due process around introducing the proposals into IFRS.

In order to effectively address the short term issues and ensure that increased divergence in global accounting in these areas does not develop, it is essential that any changes to IFRS

are made on a timely basis, notably for 2009 half year reporting. Accordingly, we support further consideration by the IASB of the issues covered by the FSP's in conjunction with the longer term comprehensive joint financial instruments project.

If you have any questions regarding the content of this letter please feel free to contact me.

Yours faithfully

A handwritten signature in black ink, appearing to read "P. G. Scott". The signature is written in a cursive style with a large, stylized "S" at the end.

Philip G Scott
Chairman
European Insurance CFO Forum