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Sir David Tweedie Chairman IASB First Floor, 30 Cannon Street London EC4M 6XH

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Mr Robert Herz Chairman, FASB c/o IASB

Dear Sir David and Mr Herz

IFRS Insurance Standard

We welcome the IASB's and FASB's recent Joint Statement and reaffirmed commitment to the Memorandum of Understanding and to other joint projects. We are strong supporters of global accounting standards.

We also welcome the IASB's recognition of insurers' needs by delaying the mandatory application date for IFRS 9 in the light of that planned for the forthcoming IFRS for insurance contracts, and by allowing the reclassification of financial instruments should the insurance contracts standard produce accounting mismatches.

However, we are concerned about the further delay in the boards' joint insurance contracts accounting project. The IASB had been committed to issuing an exposure draft in 2009, whereas this is now to be in April 2010. What concerns us especially is the increased risk that the IFRS may also be delayed. This is not only because of the later issue of the ED, but also because the boards may be under pressure to give priority to the MoU projects in what may be an increasingly congested run-up to June 2011.

Significant delay from June 2011 would be a serious matter for the insurance industry, a major force in the world's capital markets. The current IFRS 4 is a stop-gap measure that is clearly inadequate for a global suite of accounting standards. Its grandfathering provisions permit wide diversity of practice and do not give the comparability that investors require. Further, a delay may well be prolonged considerably if the project's momentum is lost.

We ask that you do whatever you can to ensure that the insurance project is kept on track so that the final IFRS is published in June 2011.

Yours sincerely

Peter Vipond

Director, Financial Regulation and Taxation