

MINUTES



To: Board Members
From: Insurance Contracts Team
(Jourdan, ext. 273)
Subject: Minutes of the March 17, 2010,
Joint Board Meeting (video):
Insurance Contracts
Date: April 5, 2010
cc: FASB: Bielstein, Golden, Stoklosa, Chookaszian, Posta, Guasp, Sutay,
Klimek, Gabriele, McGarity, Proestakes, Cropsey, Trench, Lott, Hood,
Brickman, Galloway (GASB), FASB Intranet; IASB: Leisenring, Clark, van
der Veen, Hack, Jordan, Teixeira

The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue a final Accounting Standards Update.

Topic: Insurance Contracts—Risk adjustment
and Option pricing and risk

Basis for Discussion: Board Memorandum Nos. 41D and
41E

Length of Discussion: 9:15 a.m. to 11:15 p.m. (Eastern)

Attendance:

Board members participating via
videoconference: FASB: Herz, Smith, Siegel, Seidman,
and Linsmeier
IASB: Tweedie, Cooper, Gelard
Leisenring, McConnell, Engström,
Smith, Finnegan, Wei-Guo, Danjou,
Gomes, Kalavacherla, Garnett,
McGregor, and Yamada

Board member absent: None

Staff in charge of topic: van der Veen

Other staff at Board table: IASB: Clark and Hack

Staff participating by video: FASB: Cropsey, Trench, Proestakes,
Jourdan, Brickman, and Golden
IASB: Upton

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the development of an Exposure Draft addressing insurance contracts.

The Board's technical plan calls for that Exposure Draft to be issued in the third quarter of 2010.

Summary of Decisions Reached:

In this session the Boards discussed risk adjustments in the proposed measurement of insurance contracts, including a brief analysis of methodologies that could be used to calculate risk adjustments. To support this discussion on risk adjustment, the Boards also discussed the role of risk adjustments in option pricing models.

The purpose of this discussion was educational. Consequently, no decisions were reached.

Next Steps

The Boards will continue their discussion of this project at their joint meeting on March 22.

General Announcements: None.