

The European Insurance CFO Forum
Comité Européen des Assurances
American Council of Life Insurers
The Life Insurance Association of Japan

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

18 December 2008

Dear Sir David

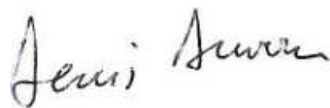
Insurance Contract Boundaries – Proposal to replace the guaranteed insurability criteria

We are writing to you in connection with the Board's consideration, due in January we understand, of the boundary of the insurance contract in relation to policyholder behaviour and future premiums. 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, the Comité Européen des Assurances, whose members account for 94% of total European premium income, the American Council of Life Insurers, which is a trade association whose members account for 93% of life assurance premiums in the United States, and the Life Insurance Association of Japan, a trade association comprising all life insurance companies in Japan.

The European Insurance CFO Forum has previously discussed this issue with Peter Clark and Hans van der Veen and has provided a draft of the attached paper. Further to those discussions the other organisations that are party to this letter have considered the proposed principle in relation to particular products in their own markets and have agreed that it represents an effective solution to this issue. Accordingly, on behalf of the insurance industry, we submit this principle as an important contribution to the Board's discussions.

If you have any queries that you would like to raise, please feel free to contact us.

Yours faithfully



Denis Duverne
Chairman
European Insurance CFO Forum

Michael M. Monahan
Director, Accounting Policy
American Council of Life Insurers

Michaela Koller
Director General
Comité Européen des Assurances

Hiroaki Tonooka,
Chairman of Current Issue Committee
The Life Insurance Association of Japan

Cc Robert Herz, FASB
Jeffrey Cropsey, FASB staff
Peter Clark, IASB staff
Hans van der Veen, IASB staff