



AMERICAN ACADEMY *of* ACTUARIES

March 4, 2009

Securities and Exchange Commission
Attn: Florence E. Harmon, Acting Secretary
100 F Street, NE
Washington, DC 20549-1090
Via email: rule-comments@sec.gov

File Number: S7-27-08

Re: Comments on the proposed rule, *Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by US Issuers*

The Financial Reporting Committee of the American Academy of Actuaries¹ appreciates this opportunity to provide comment to the Securities and Exchange Commission (SEC) on the *Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by US Issuers* (“Roadmap”).

The points below summarize our key comments:

- 1 For the insurance industry, IFRS is not yet complete. Finalizing the current IASB Insurance Contracts project is required to establish a complete and high quality set of standards for the insurance industry. Adopting IFRS before those standards are complete would not achieve the promise of a common set of high quality global accounting standards for insurance contracts. In particular, we believe early adoption of IFRS would be problematic in an industry, such as insurance, where current IFRS standards are not fully developed.
- 2 We believe, as is stated in the Roadmap, that investors would benefit from a common set of high quality global accounting standards that can be compared across jurisdictions. While there will undoubtedly be country-specific considerations that need to be addressed, IFRS will fall short of its promise if it is implemented with country-specific exceptions. We therefore urge the SEC to avoid creating US-specific exceptions to the extent possible when adopting IFRS, and to work with its peers in other countries to encourage them to avoid creating country-specific exceptions.

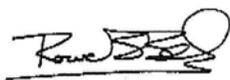
¹ The American Academy of Actuaries (“Academy”) is a 16,000-member professional association whose mission is to assist public policymakers by providing objective expertise and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States. Academy members are highly trained practitioners in mathematical and statistical approaches to quantifying risk, practicing in the insurance industry as well as the broader financial services industry.

The Academy’s Financial Reporting Committee (“Committee”) is comprised of representatives from across the spectrum of actuarial practice, primarily including life insurance, property/casualty insurance, health insurance, and pensions. Committee members apply their skills to analysis of public policy relating to company financial statements, taking into account different perspectives from the various roles that actuaries may play, including those of preparer, auditor’s expert, and user.

- 3 The Roadmap discusses training of specialists as a consideration in adopting IFRS. The Casualty Actuarial Society and the Society of Actuaries provide significant educational resources to the actuarial profession, and these two organizations (along with the American Academy of Actuaries) have already begun the process of incorporating IFRS into their educational offerings and are committed to continuing to take appropriate measures to enhance the actuarial profession's knowledge of IFRS as these accounting standards evolve. Should the SEC have any specific concerns on this subject, please feel free to contact us
- 4 We note that even with adoption of IFRS as a common set of high quality standards for general purpose accounting, the accounting standards used by insurance regulators may continue to vary from IFRS and may also vary by jurisdiction. To the extent that existing US statutory accounting principles promulgated by the National Association of Insurance Commissioners are based on US GAAP, insurance regulators may be required to react to the change in general purpose accounting standards from US GAAP to IFRS. We urge the SEC to take this into account in its transition planning.
- 5 Current SEC guidance requires various disclosures that show historical trends. To the extent that these disclosures include activity from periods prior to those requiring restatement under IFRS rules, we are concerned that the resulting historical data points will be based on multiple and inconsistent accounting paradigms. The resulting disclosures may show false and/or misleading trends. We recommend that the SEC pay particular attention to such situations, and work towards having historical data disclosures based on consistent accounting paradigms. For example, if the SEC adopts a disclosure for property/casualty insurers similar to the US Schedule P, the loss triangle format described in IFRS 4, or the Form 10-K reserve development table, then all historical data points in the disclosure should be on a consistent basis.

Thank you again for the opportunity to comment and please let us know if we can be of further assistance.

Sincerely,



Rowen B. Bell
Chairperson, Financial Reporting Committee
American Academy of Actuaries