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AMERICAN ACADEMY  
*of* ACTUARIES

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October 9, 2007

U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-6561  
File Number S7-13-07  
Via email: rule-comments@sec.gov

**Re: ACCEPTANCE FROM FOREIGN PRIVATE ISSUERS OF FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS WITHOUT RECONCILIATION TO U.S. GAAP**

I am submitting this comment letter in response to the SEC proposal, *Acceptance from Foreign Private Issuers of Financial Statements Prepared in Accordance with International Financial Reporting Standards without Reconciliation to U.S. GAAP*, on behalf of the Financial Reporting Committee of the American Academy of Actuaries'<sup>1</sup> Risk Management and Financial Reporting Council.

We are concerned that eliminating the requirement for insurance companies to reconcile their International Financial Reporting Standards (IFRS) financial statement with US GAAP will create a situation in which confusion among users is likely and an uneven distribution of information is possible. Whether this is sufficient to continue the requirement for a reconciliation to US GAAP is not, however, an actuarial issue and we have no position on that question.

As you are aware, there is a great variety of accounting structures for insurance liabilities throughout the world. This is particularly true for life insurance liabilities. For non-life liabilities the accounting standards tend to be quite similar, differing primarily over whether claim reserves are discounted and whether various types of equalization or catastrophe reserves are permitted. Current IFRS requirements limit this variety significantly for non-life contracts but do not accomplish the same standardization for life contracts. With the exception of eliminating equalization and catastrophe reserves for non-life contracts, those requirements allow filers to continue to use whatever basis they were using prior to adoption of IFRS 4.

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<sup>1</sup> The American Academy of Actuaries is a national organization formed in 1965 to bring together, in a single entity, actuaries of all specializations within the United States. A major purpose of the Academy is to act as a public information organization for the profession. Academy committees, task forces and work groups regularly prepare testimony and provide information to Congress and senior federal policy-makers, comment on proposed federal and state regulations, and work closely with the National Association of Insurance Commissioners and state officials on issues related to insurance, pensions and other forms of risk financing. The Academy establishes qualification standards for the actuarial profession in the United States and supports two independent boards. The Actuarial Standards Board promulgates standards of practice for the profession, and the Actuarial Board for Counseling and Discipline helps to ensure high standards of professional conduct are met. The Academy also supports the Joint Committee for the Code of Professional Conduct, which develops standards of conduct for the U.S. actuarial profession.

Furthermore, it is highly likely, in our opinion, that rating agencies and other influential users will require companies to provide that reconciliation whether they must do so in order to file their statements or not and that this information might then not be publicly available to all potential users. We don't believe this is a condition that the SEC should facilitate.

Finally, we are concerned that eliminating the need to reconcile IFRS to US GAAP before the International Accounting Standards Board's (IASB's) insurance contract project has been completed would remove some of the incentive for the IASB to complete its project, thereby leaving the current unsatisfactory standard in place.

Thank you for the opportunity to comment on this proposal.

Sincerely,

A handwritten signature in black ink that reads "Henry Siegel". The signature is written in a cursive, slightly slanted style.

Henry Siegel  
Chairperson, Financial Reporting Committee  
American Academy of Actuaries  
Risk Management and Financial Reporting Council