



AMERICAN ACADEMY *of* ACTUARIES

October 27, 2011

International Accounting Standards Board
30 Cannon Street
London, EC4M 6XH

The American Academy of Actuaries'¹ Financial Reporting Committee and International Accounting Standards Task Force appreciate the opportunity to respond to the IASB's *Agenda Consultation 2011*.

There are two aspects of the draft plans on which we wish to comment:

1. Continued priority on completing the insurance contracts standard. We applaud the statement, "We intend to continue to give the highest priority to progressing our work on the following projects. . . including insurance contracts." The draft standard for insurance contracts represents a significant change from existing accounting for insurance, and we believe it needs to be implemented as a final standard so that the complete framework for financial reporting of insurance organizations can be internally consistent. However, the issues involved are complex, therefore we recommend that the timeline be extended to allow sufficient field testing of the standard before adoption in order to ensure that the new standard will work well in practice.
2. The addition of research to the scope of the IASB mission. If research is to be added as part of the mission, we recommend that the IASB cultivate relationships with existing organizations that have historically carried out related research. The experience of such organizations can be of great value in coordinating needed resources and efficiently carrying out a research program. With regard to research on issues related to insurance and employee benefit plans, we recommend that the IASB establish research relations with actuarial organizations. Actuarial organizations that have historically carried out such research include the Society of Actuaries, the Casualty Actuarial Society, and the International Actuarial Association. If the IASB is interested, we would be pleased to facilitate contact with these organizations.

Again, we thank you for the opportunity to comment on your draft agenda. If you have any questions, please contact Tina Getachew, senior policy analyst, Risk Management and Financial Reporting Council, via email (getachew@actuary.org) or phone (202/223-8196).

¹ The American Academy of Actuaries is a 17,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, 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.

Sincerely,



Stephen J. Strommen
Chair, International Accounting Standards Task Force
American Academy of Actuaries



William C. Hines
Chair, Financial Reporting Committee
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