

Financial Accounting Standards Board
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For Immediate Release

FASB Issues Invitation to Comment on Agenda Proposal: *Accounting for Insurance Contracts by Insurers and Policyholders*

Norwalk, CT, August 2, 2007—The Financial Accounting Standards Board (FASB) today issued an Invitation to Comment, *An FASB Agenda Proposal: Accounting for Insurance Contracts by Insurers and Policyholders, including the IASB Discussion Paper, Preliminary Views on Insurance Contracts*. The FASB issued the Invitation to Comment to gather information from its constituents to help decide whether there is a need for a project on accounting for insurance contracts. It also asks whether the FASB should undertake this project jointly with the IASB.

If the FASB were to take on this joint project, its objective would be to develop a common, high-quality standard that would address recognition, measurement, presentation, and disclosure requirements for insurance contracts. The project would provide accounting and reporting guidance for both the issuer and the holder of an insurance contract.

The IASB is currently working on a project that addresses these issues. In May 2007, it issued a Discussion Paper, *Preliminary Views on Insurance Contracts*, describing the main components of a proposed accounting model for insurance contracts. One of the questions raised in the FASB's Invitation to Comment is whether the IASB's preliminary views would be suitable starting point for a joint project.

Other questions posed by the Invitation to Comment include whether the scope of the proposed project should include accounting by policyholders and how the proposed project should interact with other major FASB/IASB joint projects that address similar issues, for example, the conceptual framework and revenue recognition projects.

Open Due Process

The Board is seeking written comments on the proposal by November 16, 2007. Parties interested in providing input on today's Invitation to Comment should submit their comments by email to director@fasb.org, File Reference No. 1540-100. Those without email may send their comments to:

Technical Director—File Reference No. 1540-100
Financial Accounting Standards Board
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About the Financial Accounting Standards Board

Since 1973, the Financial Accounting Standards Board has been the designated organization in the private sector for establishing standards of financial accounting and reporting. Those standards govern the preparation of financial reports and are officially recognized as authoritative by the Securities and Exchange Commission and the American Institute of Certified Public Accountants. Such standards are essential to the efficient functioning of the economy because investors, creditors, auditors, and others rely on credible, transparent, and comparable financial information. For more information about the FASB, visit our website at www.fasb.org.

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