SwissLife

Sir David Tweedie
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Zürich, 14 January 2009

Dear Sir David,

Re: Exposure Draft Investments in Debt Instruments - Proposed amendments to IFRS 7

Swiss Life is one of Europe's leading providers of life insurance and pension solutions and has prepared its consolidated financial statements in accordance with IFRS since the year 2000. We are pleased to have the opportunity to comment on the proposed amendments to IFRS 7 regarding additional disclosures about investments in debt instruments.

Question 1

We do not agree with the proposed requirement to disclose pre-tax profit or loss amounts that would have resulted under two alternative classification assumptions for the following reasons:

1) In order to determine the pre-tax profit or loss, life insurance companies have to take into account the effect that gains or losses on financial assets have on the measurement of deferred policy acquisition costs, policyholder participation liabilities and other insurance liabilities. This accounting model makes it considerably more difficult and complex to calculate alternative pre-tax profit or loss amounts.

2) In order to determine the pre-tax profit or loss as though available-for-sale debt instruments had been accounted for at amortised cost, dual accounting treatment would be required for impaired debt instruments classified as available for sale. This is due to the different impairment calculation models of IAS 39 for debt instruments measured at amortised cost and those measured at fair value with fair value changes recognised directly in equity.

   This requirement could not be complied with for the 2008 financial statements as the amortised-cost based information for impaired AFS debt instruments is currently not available. Moreover, it would be very costly and difficult to implement a dual accounting function in the accounting systems.

3) In our view, the requirement to disclose alternative pre-tax profit or loss information is not justifiable unless the impairment provisions of IAS 39 are amended to permit the incurred loss model for all concerned categories of financial assets.

Question 3

We have no objection to disclose a summary of the different measurement bases, provided that the amortised cost information is in line with the measurement requirements of IAS 39.

Question 4

We agree with the proposal to exclude from the scope debt instruments measured at fair value through profit or loss, as amortised-cost based information is not available for this category and the benefit of providing such information would in our view by no means justify the cost and burden to generate it.

Question 5

We do not agree with the proposed effective date as the required information for the calculation of alternative pre-tax profit or loss amounts for the period ending 31 December 2008 is not available and it would not be possible to retrospectively generate this information without undue efforts.

Question 6

The transition requirements are appropriate. However, an addition should be made to clarify that the date of initial adoption refers to the adoption of the amendments rather than the adoption of IFRS 7.

We hope that these comments are helpful in finalising the proposed amendments to IFRS 7. If you have any questions concerning our comments, please feel free to contact Vera Last or Hans Bitschnau at +4143 284 33 11.

Sincerely,
Swiss Life

Thomas Müller	Daniel Thalmann
Group Chief Financial & Risk Officer	Head of Financial Reporting & Planning