

October 31, 2003

Sir David Tweedie
Chairman
International Accounting Standards Board
30 Cannon Street
London EC4M 6 XH, UK

Comments on Exposure Draft Insurance Contracts (ED5)

Dear Sir David,

Asahi Mutual Life Insurance Company is pleased to submit its comments on Exposure Draft Insurance Contracts (ED5).

We hope that our comments can contribute to your final decision.

Sincerely yours,

Akira Ishii
General Manager
Research Unit
Asahi Mutual Life Insurance Company
1-7-3 Nishi-Shinjuku, Shinjuku-ku
Tokyo, Japan

Attachment: Comments

? . Question 4 – Temporary Exclusion from Criteria in IAS8 (b)(?)

(?)Despite the temporary exemption from the criteria in [draft]IAS8 , the proposals in paragraph 12 of the draft IFRS would require a loss recognition test if no such text exists under an insurer's existing accounting policies.

Are these proposals appropriate? if not , what changes would you propose , and why?

<Comment>

The contents proposed are not appropriate. Concerning a loss recognition test, the existing loss recognition test practices should be maintained in Phase.. [Exposure Draft - 12]

<Reason>

Since the loss recognition test is closely related to the principle of recognition and measurement of insurance assets and liabilities, existing business practices should be maintained in Phase.as the principle of recognition and measurement allows adoption of current practices in Phase.. [Exposure Draft - 12]

? . Question 10 – Disclosure of the fair value of insurance assets and insurance liabilities

The proposals would require an insurer to disclose the fair value of its insurance assets and insurance liabilities from 31 December 2006 (paragraphs 30 and 33 of the draft IFRS, paragraphs BC138-BC140 of the Basis for Conclusions and paragraphs IG60 and IG61 of the draft Implementation Guidance).

Is it appropriate to require this disclosure? If so, when should it be required for the first time? If not, what changes would you suggest and why?

<Comment>

It is not appropriate to require such disclosure as proposed. We are opposed to the disclosure of the fair value. [paragraph IN9, 30 and 33 of the draft IFRS]

<Reason>

The concept of fair value of insurance contracts does not exist so far, since no provisions are developed for recognition or measurement. Disclosure of the fair value should only be discussed after the standards for recognition and measurement are established in phase II.[paragraph IN9, 30 and 33 of the draft IFRS]..