

THE MARINE & FIRE INSURANCE ASSOCIATION OF JAPAN, INC.

Non-life Insurance Building, 9, Kanda Awajicho 2-chome, Chiyoda-Ku, Tokyo 101-8335, Japan

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October 11, 2002

Sir David Tweedie
Chairman
International Accounting Standards Board

Dear Sir,

We are pleased to have an opportunity to comment on the *ED 1 First-time Application of International Financial Reporting Standards*.

The association, the Marine and Fire Insurance Association of Japan, Inc., was originally established in 1917 and reestablished in 1946 by non-life insurance companies consisting of thirty insurance companies in Japan. Despite the name of the association, it is in substance the non-life insurance association. The objective of the association is to promote the sound development of the non-life insurance industry in Japan.

Net premiums written by the members of the association for the year ended March 31, 2002 were ¥6.8 trillion, and total assets at March 31, 2002 were ¥33.1 trillion. Each member company is listed at the end of this letter.

The association has set up a special working group on IAS related issues in its Accounting Committee. The association believes that the comments attached reflect viewpoints of the non-life insurance industry in Japan. We would much appreciate it if you would take our views into consideration in preparing standards.

Yours sincerely,

Hiroshi Endo
Chairman
Accounting Committee
The Marine and Fire Insurance Association of Japan, Inc.

Following are comments of the Marine and Fire Insurance Association of Japan, Inc. with respect to the *ED 1 First-time Application of International Financial Reporting Standards* issued for comments by the International Accounting Standards Board in July 2002.

Exemptions from requirements (paragraph 13-24)

We suggest that the exemption further apply to the classification within the stockholders' equity section concerning financial instruments measured at fair value, if the cost of restatement exceeds the benefit of providing such information.

For example, if an entity has recognized a loss, such loss is now reflected in the amount of retained earnings, while it would have been included in unrealized loss on available for securities had it not met the requirement for impairment under IFRS. If an entity has recognized a loss for available for sale securities due to the decline in the market value, and such recognition would not have been necessary under the impairment requirement of IAS 36, an entity needs to adjust the amounts of the items in the shareholders' equity.

It could demand a fair amount of time and effort, or could be impossible, to restate such adjustments, especially for the cases where the records of such transactions have been disposed of. Including this issue as one of the exemptions would not cause a significant deficiency in the financial statements.

Member Companies of the Marine and Fire Insurance Association of Japan, Inc. (As of October 7, 2002)

Aioi Insurance Co., Ltd.

28-1, Ebisu 1-Chome, Shibuya-Ku, Tokyo 150-8488.

Tel : 03-5424-0101.

Fax : 03-5789-6685.

URL : <http://www.ioi-sonpo.co.jp/>

The Asahi Fire & Marine Insurance Co., Ltd.

6-2, Kajicho 2-Chome, Chiyoda-Ku, Tokyo 101-8655.

Tel : 03-3254-2211.

Fax : 03-3254-2296.

URL : <http://www.asahikasai.co.jp/>

The AXA Non-Life Insurance Co., Ltd.

Ariake Frontier Bldg. Tower A, 3-1-25 Ariake

Koto-Ku, Tokyo 135-8611.

Tel : 03-3570-8989.

Fax : 03-3570-8981.

URL : <http://www.axa-direct.co.jp/>

The Daido Fire & Marine Insurance Co., Ltd.

Okinawa head office :

12-1, Kumoji 1-Chome, Naha, Okinawa 900-8586.

Tel : 098-867-1161.

Fax : 098-862-8362.

Tokyo branch office :

2-7, Kanda Sudacho 1-Chome, Chiyoda-Ku, Tokyo 101-0041.

Tel : 03-3254-7517.

Fax : 03-3254-4174.

URL : <http://www.daidokasai.co.jp/>

The Fuji Fire & Marine Insurance Co., Ltd.

Osaka head office :

18-11, Minamisenba 1-Chome, Chuo-Ku, Osaka 542-8567.

Tel : 06-6271-2741.

Fax : 06-6266-7115.

Tokyo head office :

12-1, Kanda Tsukasamachi 2-Chome, Chiyoda-Ku, Tokyo 101-0048.

Tel : 03-5295-7634.

Fax : 03-5295-7649.

URL : <http://www.fujikasai.co.jp/>

The Japan Earthquake Reinsurance Co., Ltd.

The Kobuna-cho Fuji Plaza 4F, 8-1, Nihonbashi Kobuna-cho,
Chuo-Ku, Tokyo 103-0024.

Tel : 03-3664-6107.

Fax : 03-3664-6169.

URL : <http://www.nihonjishin.co.jp/>

Jl Accident & Fire Insurance Co., Ltd.

Al Bldg., 20-5, Ichibancho, Chiyoda-Ku, Tokyo 102-0082.

Tel : 03-3237-2111.

Fax : 03-3237-2250.

URL : <http://www.jihoken.co.jp>

The Kyoei Mutual Fire & Marine Insurance Co.

18-6, Shimbashi 1-Chome, Minato-Ku, Tokyo 105-8604.

Tel : 03-3504-2335.

Fax : 03-3508-7680.

URL : <http://www.kyoeikasai.co.jp>

Meiji General Insurance Co., Ltd.

11-1, Kanda Tsukasamachi 2-Chome, Chiyoda-Ku, Tokyo 101-0048.

Tel : 03-3257-3149.

Fax : 03-3257-3299.

URL : <http://meiji-general.aaapc.co.jp/>

Mitsui Direct General Insurance Co., Ltd.

1-4-27, Koraku Bunkyou-Ku, Tokyo, 112-0004

Tel : 03-5804-7711.

Fax : 03-5804-7748.

URL : <http://www.mitsui-direct.co.jp/>

Mitsui Seimei General Insurance Co., Ltd.

1-1, Toranomom 2-Chome, Minato-Ku, Tokyo 105-0001.

Tel : 03-3224-2830.

Fax : 03-3224-2677.

URL : <http://www.mitsui-seimei.co.jp/sonpo/>

Mitsui Sumitomo Insurance Co., Ltd.

27-2, Shinkawa 2-Chome, Chuo-Ku, Tokyo 104-8252.

Tel : 03-3297-1111.

URL : <http://www.ms-ins.com/>

The Nichido Fire & Marine Insurance Co., Ltd.

3-16, Ginza 5-Chome, Chuo-Ku, Tokyo 104-0061.

Tel : 03-3289-1066.

Fax : 03-3574-0646.

URL : <http://www.nichido.co.jp/>

NIPPONKOA Insurance Co., Ltd.

7-3, 3-Chome, Kasumigaseki, Chiyoda-Ku, Tokyo 100-0013.

Tel : 03-3593-5154.

Fax : 03-3593-5159.

URL : <http://www.nipponkoa.co.jp/>

Nissay Dowa General Insurance Co., Ltd.

15-10, Nishi-Tenma 4-Chome, Kita-Ku, Osaka 530-8555.

Tel : 06-6363-1121.

Fax : 06-6363-7519.

URL : <http://www.nissaydowa.co.jp/>

The Nisshin Fire & Marine Insurance Co., Ltd.

3, Kanda-Surugadai 2-Chome, Chiyoda-Ku, Tokyo 101-8329.

Tel : 03-5282-5534.

Fax : 03-5282-5582.

URL : <http://www.nisshinfire.co.jp/>

SAISON Automobile & Fire Insurance Co., Ltd.

Sunshine 60 Bldg., 1-1, Higashi-Ikebukuro 3-Chome,

Toshima-Ku, Tokyo 170-6068.

Tel : 03-3988-2572.

Fax : 03-3980-7367.

URL : <http://www.ins-saison.co.jp>

SECOM General Insurance Co., Ltd.

6-2, Hirakawa-cho 2-Chome, Chiyoda-Ku, Tokyo 102-8645.

Tel : 03-5216-6129.

Fax : 03-5216-6147.

URL : <http://www.secom-sonpo.co.jp/>

Sompo Japan Insurance Inc.

26-1, Nishi-Shinjuku 1-Chome, Shinjuku-Ku, Tokyo 160-8338.

Tel : 03-3349-3111.

Fax : 03-5381-7406.

URL : <http://www.sompo-japan.co.jp/>

Sony Assurance Inc.

Aroma Square 11F, 5-37-1 Kamata Ota-Ku, Tokyo 144-8721.

Tel : 03-5744-0300.

Fax : 03-5744-0480.

URL : <http://www.sonysonpo.co.jp/>

The Sumi-Sei General Insurance Co., Ltd.
Sumitomo Life Yotsuya Bldg., 8-2 Honshio-Cho,
Shinjuku-Ku, Tokyo 160-0003.
Tel : 03-5360-6229.
Fax : 03-5360-6695.

The Taisei Fire & Marine Insurance Co., Ltd.
2-1, Kudan-Kita 4-Chome, Chiyoda-Ku, Tokyo 102-0073.
Tel : 03-3222-3072.
Fax : 03-3234-4073.
URL : <http://www.taiseikasai.co.jp>

The Toa Reinsurance Co., Ltd.
6, Kanda-Surugadai 3-Chome, Chiyoda-Ku, Tokyo 101-8703.
Tel : 03-3253-3171.
Fax : 03-3253-1208.
Telex : 24384 TOARE J.
URL : <http://www.toare.co.jp/>

The Tokio Marine & Fire Insurance Co., Ltd.
2-1, Marunouchi 1-Chome, Chiyoda-Ku, Tokyo 100-8050.
Tel : 03-3212-6211.
Fax : 03-5223-3100.
Telex : 3722170 STILWA J.
URL : <http://www.tokiomarine.co.jp/>

Yasuda Direct General Insurance Co., Ltd.
Sunshine 60 Bldg. 44F, 1-1, Higashi-Ikebukuro 3-Chome,
Toshima-Ku, Tokyo 170-6044.
Tel : 03-5957-0111.
Fax : 03-5952-1960.
URL : <http://www.directline.co.jp/>

The Yasuda General Insurance Co., Ltd.
29th Floor, Shinjuku MAYNDS Tower, 1-1, Yoyogi, 2-Chome,
Shibuya-Ku, Tokyo 151-0053.
Tel : 03-5352-8129.
Fax : 03-5352-8948.