



Mr Kevin Stevenson

Chairman

Australian Accounting Standards Board

By Email: standard@asb.gov.au

4 October 2013

Dear Kevin,

Macquarie University's Department of Accounting and Corporate Governance is pleased to provide the Australian Accounting Standards Board (AASB) with its comments on Insurance Contracts which is a re-badged copy of the International Accounting Standards Board's (the Board) Exposure Draft ED/2013/7 (the ED). We have considered the ED, as well as the accompanying draft Basis for Conclusions.

Macquarie University's response reflects our position as a leading educator to the Australian and global community. This submission has benefited with input from discussions with key constituents, and in particular we appreciate the opportunity to be a participant at the AASB's Sydney Roundtable on 3 September 2013 where the ED was extensively discussed and was attended by representatives of the Board and IASB and AASB members and staff.

We do not support the ED as it is currently drafted, although we generally support the principles behind the ED which is have a single global accounting standard on Insurance Contracts. Our particular concern is that the ED is un-necessarily complex due to the numerous disclosure provisions which appear to be justified on what different users have argued is needed to properly understand the activities of an insurance entity.

Instead we suggest that the IASB should follow the lead of the UK Financial Reporting Council's Corporate Governance Code which is also being reflected in the Australian Securities Exchange's Corporate Governance Council's proposals for change to the similar Australian Code, and allow or indeed require the more complex and detailed disclosures via an entity's website. That should significantly reduce the 'clutter' which is in the current ED.



On that basis we suggest that the IASB should embark on a major review of the current ED to determine what are the clear and essential requirements for understanding at a basis level, the operations and financial performance of an insurance entity.

If you require any further information or comment, please contact me.

A handwritten signature in black ink, which appears to read "Keith Reilly". The signature is fluid and cursive, with a prominent loop at the end.

Keith Reilly

Industry Fellow (International Governance & Reporting)

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