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Technical Director
Financial Accounting Standards Board
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**RE: File Reference No. 2013-290 Proposed Accounting Standards Update,
Insurance Contracts (Topic 834)**

Credit Suisse Group ("CSG") appreciates the opportunity to express our views in relation to the Proposed Accounting Standards Update, Insurance Contracts (Topic 834). CSG's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("US GAAP").

CSG appreciates FASB project objective of creating a single insurance accounting standard, where all products with similar economic characteristics are treated exactly the same regardless of whether the provider of this coverage is an insurance entity or not. However in this particular situation, we are of the view that the expected consequences from implementing this proposed standard as currently drafted result in a wide variety of new products being scoped in that are not in scope of the current insurance accounting model and this will lead to unintended accounting consequences, especially for banks and savings institutions.

The draft exposure draft contains inconsistencies and it is not very clear in a lot of the cases how the examples are to be interpreted. Many of the specific items termed 'insurance' are related to an entity's own performance, which is scoped out of the draft insurance standard. As current US GAAP guidance in relation to guarantee accounting also scopes out transactions relating to an entity guaranteeing its own performance, accounting consequences could potentially be created where under current US GAAP no specific transactions/items are being recorded. Specific examples of these items which would impact CSG are the guidance in relation to representations and warranties on self-originated loans, stand-by letters of credit, guarantees on own performance related to securitizations, liquidity facilities and guarantees of issuances of trust preferred securities.

Representations and warranties made by manufacturers are specifically scoped out of the draft standard, whereas for non-manufacturers with similar coverage provided there is no scope out. The only difference is the underlying nature of the product and not the coverage provided by the seller as Manufacturers' products are non-financial assets/items rather than financial in nature. Virtually all contracts have some form of embedded representations and warranties and the unbundling and determination of premium income could be very arbitrary but also extremely time consuming. As a result, a lot of judgment would be involved and the chances of consistent application (i.e. comparability) across the industry would not be very high.

The new disclosure requirements were drafted with insurance companies in mind but banks and non-financial institutions will also have contracts that would be in scope by meeting the definition of insurance in the exposure draft and therefore all of the disclosure requirements would apply to these entities as well. This will be confusing to the user of the financial statements as the note disclosures would contain significant insurance disclosures yet in the Management Discussion and Analysis section (and segment reporting) the entity will not have insurance business as a reportable segment/reporting unit and no insurance subsidiaries with insurance licenses. Smaller institutions could also be significantly impacted if they have contracts that meet the definition of insurance, as they may not have the same level of resources that the larger institutions do have to apply the complex proposals.

The original goal of the insurance project was for both the IASB and the FASB to come out with the same guidance but the current IFRS exposure draft retains the current IFRS option non-insurance entities to use guarantee or financial instrument accounting and not insurance. Although CSG is supportive of the FASB improving the guidance on how insurance assets and liabilities are to be treated, specifically moving to a model that is more 'fair value like', scoping in products that previously were not considered insurance results in conceptual inconsistencies but more importantly operations burdens. We therefore propose not to change the scope versus current US GAAP but just the way which contracts, that currently qualify as insurance under US GAAP, are recorded and valued.

If you have any questions or would like any additional information on the comments we have provided herein, please do not hesitate to contact me in Zurich at +41 44 333 1968, or Todd Runyan in Zurich at +41 44 334 8063.

Sincerely,



Rudolf Bless
Managing Director
Chief Accounting Officer &
Deputy Chief Financial Officer



John Karvellas
Director
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