



September 10, 2010

Mr. Kevin Brower, Practice Fellow
Financial Accounting Standards Board
401 Merrit 7
P. O. Box 5116
Norwalk, CT 06856-5116

Re: Proposed Accounting Standards Update: Financial Services-Insurance (Topic 944) – *Accounting for Cost Associated with Acquiring or Renewing Insurance Contracts*

File Reference No. EITF090G

Dear Mr. Brower,

Pacific Life Insurance Company appreciates this opportunity to comment on the proposed Accounting Standards Update (ASU): Financial Services-Insurance (Topic 944) – *Accounting for Cost Associated with Acquiring or Renewing Insurance Contracts* (EITF 09-G) prior to the EITF's September 15, 2010 meeting. We understand that the EITF has reached tentative conclusions on the draft guidance and we respectfully request that the EITF consider Pacific Life's views as well as those previously provided by the American Council of Life Insurance (ACLI) and other peer companies across the insurance industry regarding this guidance as it works towards a final consensus.

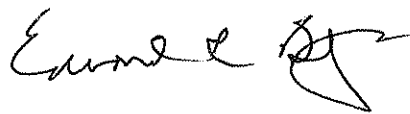
Pacific Life fully supports the efforts of the ACLI in working to make the FASB and the EITF working group more aware of the concerns the insurance industry has with the proposals contained in this particular ASU. Our belief is that the insurance industry is in complete agreement with the views previously expressed by the ACLI (on behalf of its member companies) regarding the proposed changes in accounting for deferred acquisition costs related to insurance contracts.

Our primary concerns are two-fold. The proposed requirements would make comparability of financial results very difficult. This concern impacts not only comparability across the insurance industry, but also uniformity of comparisons to prior periods. This fact would not appear to add value and insight to the investment community. This issue would allow for significantly more volatility across the industry, which is something the EITF has said it is trying to address with this proposal. Our other concern relates to the administrative burden placed on companies in order to meet the requirements of the new standard. Significant changes in our administrative systems would be necessary in order to properly account for acquisition costs as they are currently proposed. The system changes would bring about significant costs with little benefit. Ultimately, this could lead to additional cost for the consumer.

Additionally, the proposed changes would be only temporary as we await additional changes based on the Insurance Contracts project that the FASB and IASB are currently working on. Should the proposals contained in the EITF be adopted, the industry would have to transition to a new set of IASB/FASB requirements in another two or three years, again raising the issues of comparability and burdensome costs associated with administrative system changes.

Pacific Life appreciates the opportunity to express our views to you regarding this important project. We would respectfully recommend to the EITF that the guidance proposed in EITF 09-G be deferred until the guidance can be converged with the IASB and incorporated into a joint standard on insurance contracts.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward R. Byrd", with a stylized flourish at the end.

Edward R. Byrd
Senior Vice President and Chief Accounting Officer