November 28, 2016

Ms. Susan Cosper, Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116
director@fasp.org

Re: Exposure Draft – Receivables – Nonrefundable Fees and Other Costs (Topic 310-20):
Premium Amortization on Purchased Callable Debt Securities File Reference No. 2016-340

Dear Ms. Cosper:

Protective Life Corporation (the “Company” or “Protective”) appreciates the opportunity to comment on the FASB’s Exposure Draft, Receivables – Nonrefundable Fees and Other Costs (Topic 310-20): Premium Amortization on Purchased Callable Debt Securities (the “Exposure Draft”). Protective operates a group of insurance companies in the United States that provides financial services primarily through the production, distribution, and administration of insurance and investment products.

The Exposure Draft focuses on premiums generated on purchased callable debt securities as discussed in ASC 310-20-35-33. While most premiums arise at the time of purchase, premiums may also be created in other transactions such as business combinations. We support the application of a yield-to-worst methodology (as described below in our response to Question 1) under Topic 310-20 to premiums on callable debt securities arising from the application of purchase accounting.

Additionally, we would like to address the questions raised in the Exposure Draft. We have reprinted the questions followed by our response for your convenience.
**Question 1:** Do you agree that premiums on purchased callable debt securities should be amortized to the earliest call date? Please explain why or why not.

We agree that premium amortization should be accelerated; however, we believe applying a yield-to-worst methodology is more appropriate than amortization to the earliest call date. Amortization to the earliest call date may not necessarily produce the most conservative amortization approach for certain financial instruments. Additionally, a yield-to-worst methodology is consistent with how the market prices and trades callable bonds.

**Question 2:** How much time would be needed to implement the proposed amendments? Should entities other than public business entities be provided more time? Should early adoption be permitted?

We recommend implementation of the standard at the beginning of the year following the one year anniversary of the final standard’s issuance. This would allow companies time to make necessary adjustments to systems and processes. Implementation should not require an extensive work effort. We support permitting companies to early adopt at their discretion.

**Question 3:** Do you agree with the proposed transition method and disclosures in paragraph 310-20-65-1(c)? Please explain why or why not.

Yes; a modified-retrospective approach benefits both preparers and users of financial statements by implementing the updated guidance in the quickest and most efficient manner. We agree that a full retrospective approach would be overly burdensome to preparers. We also agree with the disclosure of a change in accounting principle if deemed material.

We appreciate your time in reading and considering our comments and we welcome the opportunity to discuss this issue further or to answer any questions you might have.

Sincerely,

Charles D. Evers, Jr.
Vice President, Corporate Accounting