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August 10, 2020

Technical Director, File Reference No. 2020-400  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

Re: Proposed Accounting Standards Update – Financial Services-Insurance (Topic 944) Effective Date and Early Application

The Principal Financial Group ("Principal") appreciates the opportunity to offer our views on the Financial Accounting Standards Board's ("FASB") recent decision regarding the effective date of the Targeted Improvements to the Accounting for Long-Duration Contracts ("LDTI"). Principal helps people and companies around the world to build, protect and advance their financial well-being with our retirement, insurance and asset management expertise. With innovative ideas and real-life solutions, we make financial progress possible for clients of all income and portfolio sizes. A member of the FORTUNE 500®, the Principal Financial Group has $631.1 billion in assets under management and serves 33 million customers with offices located in 25 nations and territories around the world. Principal Financial Group, Inc. is traded on the Nasdaq under the ticker symbol PFG.

We thank the FASB for the prompt response and outreach efforts made to meet with stakeholders in order to understand the challenges companies are facing during COVID-19 which impact implementation efforts and ability to meet the effective date. We also commend the FASB for their efforts to revise the proposed guidance over the years to incorporate input from a wide variety of stakeholders. We strongly support the proposal in the Exposure Draft issued July 9, 2020 to defer the effective date for public business entities that meet the definition of a Securities and Exchange Commission (SEC) filer to fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022. We will provide additional detail in our responses to the questions.

Principal's Responses to FASB Questions for Respondents

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1 As of March 31, 2020

Principal National Life Insurance Company / Principal Life Insurance Company / Principal Securities, Inc.

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**Question 1—Effective Date.** Should the effective date of LDTI be deferred for all insurance entities by one year? Please explain.

**Response:** Yes, we strongly support the proposal to defer the effective date for public entities that meet the definition of a SEC filer to fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022.

We believe the additional year will allow us time to implement the extensive changes this standard requires while effectively managing the economic and logistical challenges COVID-19 has presented. While we have not stopped our implementation efforts, COVID-19 has presented significant complications that impact our resources and execution of our implementation roadmap. The proposed delay of the effective date will provide us the needed relief to better manage and prioritize our resources who have been challenged by new work-from-home arrangements and strained by additional work managing and analyzing the impacts of COVID-19 on our business. The additional year allows us to provide a cost-effective and quality implementation focused on robust long-term solutions that make sense for our business while ensuring our management and stakeholders can remain focused on our customers and handling of the pandemic. The deferral will also provide additional time for adequate testing of internal controls, execution of comparative dry runs, implementation of efficient processes and education of management and external users.

**Questions 2—Early Application.** Does the proposed alignment of the early application transition date and the standard transition date achieve the board’s objective of facilitating early application of LDTI by certain entities to encourage accelerated delivery of information to financial statement users? Please explain.

**Response:** Yes, we support the alignment of the early application transition date with the standard transition date and believe that it may encourage accelerated delivery of information for certain entities whose scope of implementation effort allows for this.

We appreciate your consideration of our comments. If you would like to discuss this letter, please contact Deanna at Strable. Deanna@principal.com or Angie at Sanders. Angie@principal.com.

Sincerely,

Deanna D. Strable-Soethard  
Executive Vice President and  
Chief Financial Officer

Angela R. Sanders  
Senior Vice President and  
Controller