Protective Life Corporation (the “Company” or “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 Company is grateful for the opportunity to comment on the FASB’s Exposure Draft - Financial Services-Insurance (Topic 944): Effective Date and Early Application (the “Exposure Draft”).

The stated objective of the Exposure Draft is to provide additional time for implementation by deferring the effective date of Long Duration Targeted Improvements (“LDTI” or the “standard”) by one year for all insurance entities, while also providing transition relief to facilitate early application where possible. As requested by the Board, we have provided our comments organized as responses to the questions presented in the Exposure Draft.

**Question 1 – Effective Date: Should the effective date of LDTI be deferred for all insurance entities by one year?**

Answer 1 – Yes, we strongly support the proposal to delay the effective date of LDTI by one year for all insurance entities. While the Company has been and continues working diligently on its implementation plans for LDTI, the unprecedented challenges associated with Coronavirus Disease 2019 (COVID-19) cannot be understated. In a matter of days, the Company transitioned approximately 95% of its workforce to full time remote work. While we have adapted well, the strain on internal resources has been significant as employees adjusted to not only remote-work, but also other challenges including closed schools and child-care centers, caring for the needs of loved ones, and managing their own health and safety amid a global pandemic. Further, all indications suggest that these conditions will continue to persist for an undetermined amount of time. Having an additional year will allow the Company to
recalibrate its implementation plans to adjust to the new working environment, while also focusing on our employees’ well-being, the needs of our customers, and managing a myriad of other priorities during these challenging times.

Under these circumstances, we also believe the additional year will prevent the industry from having to make expedient or suboptimal implementation decisions, which would be likely if the Exposure Draft is not approved. While the Company understands that LDTI is a very impactful standard that some financial statement users are eager to see implemented, we believe that a very thorough and complete implementation across the industry is far better than the alternative. We believe the additional year will improve the quality of implementation, and thus will benefit users of financial statements.

We appreciate the Board addressing this issue in such a timely manner. Specifically, having clarity now on the additional year will allow the Company to continue to evaluate system needs and data validation processes, make prudent policy decisions, establish controls, and allow appropriate time for parallel testing while adapting to the headwinds of COVID-19.

**Question 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?

For the reasons stated in Answer 1, Protective does not intend to early adopt LDTI at this time. However, the Company does not object to the early application transition relief. Further, the Company acknowledges the benefit of aligning the transition date for both early and standard adopters to facilitate consistency of reporting and early application where possible.

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We commend the Board’s efforts and responsiveness to this issue. Thank you for your consideration of our comments. If you have any questions regarding this letter or wish to discuss further, please contact me at 205-268-6461 or Charles Evers, Vice President, Corporate Accounting (responsible for accounting policy matters) at 205-268-3596.

Sincerely,

Paul Wells
Senior Vice President and Chief Accounting Officer