August 12, 2020

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

Re: FASB Exposure Draft, Financial Services-Insurance (Topic 944): Effective Date and Early Application

Dear Technical Director,

Lincoln National Corporation (“LNC” or “we”) appreciates the opportunity to comment on the FASB Exposure Draft, Proposed Accounting Standards Update: Financial Services – Insurance (Topic 944): Effective Date and Early Application (“FASB ED”). LNC is a holding company which operates multiple insurance and retirement businesses in the United States through subsidiary companies. Through our business segments, we sell a wide range of insurance, wealth protection, accumulation and retirement income products and solutions. As of June 30, 2020, we had consolidated assets of over $330 billion.

We commend the Board and the FASB Staff for its response to requests by the insurance industry to defer the effective date of Accounting Standard Update No. 2018-12, Financial Services-Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts (“the ASU”) for insurance entities by at least one year due to the COVID-19 global pandemic. We appreciate the Board’s efforts to assess the progress entities are making in adopting the ASU and the impact the COVID-19 pandemic is having on entities’ overall implementation timelines for the ASU.

As we discussed with the FASB in our COVID-19 outreach session in April of this year, we have made significant progress on implementation since the last one-year deferral including establishing a number of technical accounting working assumptions, making progress on solution design and commencing with building requirements in our actuarial systems.

However, the existing implementation plan is pressured by ongoing interpretation discussions and the complexity of system build required resulting in no margin for error in our implementation schedule. We have experienced delays resulting from COVID-19 as we moved to a fully virtual workforce and resources have been diverted to initiatives that are critical to managing our business in the current economic environment. This has placed significant pressure on resources in the
current environment and for the foreseeable future as we continue to manage through existing challenges.

The proposed effective date amendment will allow us to better manage execution risk associated with the implementation of the ASU and the additional time provided will improve the financial reporting for financial statement users once the ASU becomes effective. As a result, we support the proposed amendments in the FASB ED and agree that the effective date of the ASU should be deferred for all insurance entities by one year.

If you have any questions please contact me at (484) 583-1798.

Sincerely,

Christine A. Janofsky
Senior Vice President and Chief Accounting Officer
Questions for Respondents

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

**Response:** We agree that the effective date of LDTI should be deferred for all insurance entities by one year.

We have made significant progress on implementation since the last one-year deferral including establishing a number of technical accounting working assumptions, making progress on solution design and commencing with building requirements in our actuarial systems. However, prior to COVID-19, the implementation plan was severely pressured with no margin for error in our implementation schedule.

We have experienced delays resulting from COVID-19 as we moved to a fully virtual workforce and resources have been diverted to initiatives that are critical to managing our business in the current economic environment. This has placed significant pressure on our resources in the current environment and for the foreseeable future as we continue to manage through existing challenges.

An immediate deferral of the effective date will both significantly reduce the execution risk of implementation and ensure resources can focus on critical business initiatives that are required to ensure we can meet the needs of our policyholders and shareholders. The proposed effective date amendment will allow us the additional time needed to improve the financial reporting for financial statement users once LDTI becomes effective.

**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? Please explain.

**Response:** We agree that alignment of the early application transition date and the standard transition date contributes to the Board’s objective of facilitating early application of LDTI by certain entities to encourage accelerated delivery of information to financial statement users. Further, the SEC reporting requirements related to new accounting standards will require disclosure of anticipated impact of the ASU as we near its effective date, which will further accelerate providing impacts of adopting the ASU to users of financial statements.