August 13, 2020

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

We appreciate the opportunity to provide comments to the Financial Accounting Standards Board ("FASB" or "Board") on its July 9th Exposure Draft proposing to defer the effective date of the amendments in Accounting Standard Update ("ASU") 2018-12, Financial Services – Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts. Unum Group ("Unum") operates in the United States, the United Kingdom, and, to a limited extent, in certain other countries, and is a leading provider of disability insurance products in the United States and the United Kingdom. Unum also provides a complementary portfolio of other insurance products, including employer- and employee-paid group benefits, life insurance, and other related services.

Unum appreciates and is supportive of the Board’s proposal to defer the effective date of the amendment in ASU 2018-12 by an additional year. As noted in the Exposure Draft, the Coronavirus Disease 2019 (COVID-19) pandemic is adversely affecting the global economy and causing significant and widespread business and capital market disruptions. We have been able to successfully implement remote work arrangements for the safety of our employees and have therefore not experienced a significant disruption to our operational processes. However COVID-19 has caused additional strain on critical actuarial and accounting resources due to the increased pandemic business impact analyses, as well as increased regulatory and audit requests. Therefore, in consideration of the uncertainty regarding the ultimate impact from COVID-19, Unum is supportive of the proposed deferral to ensure that we can continue to fulfill all stakeholder obligations, including the successful implementation of ASU 2018-12.

Included below are our responses to the two questions asked in the Exposure Draft.

Thank you for your consideration of our responses.

Sincerely,

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Questions for Respondents

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

Yes, we believe the effective date of LDTI should be deferred for all insurance entities by one year. As noted above, Unum is supportive and appreciates the Board’s proposed deferral. The initial deferral that was provided by the Board allowed Unum to incorporate additional improvements to our front-end processes as well as expand planned testing and analysis of the LDTI standard on our products. While we continue to make progress on our implementation plan, we do see strain from the impacts of COVID-19. COVID-19 has caused additional business impact analysis as well as increased regulatory and audit requests which draw on critical actuarial and accounting resources at the product level and senior management. The deferral would allow us to continue with our revised implementation plan while also allowing critical staff to respond to the increased needs of the business caused by COVID-19. Without a deferral, we will have to reevaluate our planned improvements and expanded testing to determine if the work can still be completed within the strained timeline.

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.

Yes, we believe that alignment of the early application transition date and the standard transition date does achieve the Board’s objective of facilitating early application of the LDTI as this will continue to allow for a consistent transition date for all companies in the first wave of adoption and the requirement to show one year of comparative financial statements is beneficial.