August 24, 2020

Technical Director
Financial Accounting Standards Board
401 Merritt 7, PO Box 5116
Norwalk, CT 06856-5116
Via: director@fasb.org

Re: File Reference No. 2020-400

Proposed Accounting Standards Update ("ASU"): Financial Services-Insurance (Topic 944), Effective Date and Early Application

Dear Technical Director:

The Allstate Corporation ("Allstate" or "we") is one of the largest publicly held personal lines insurers in the United States and a significant provider of life insurance products in the U.S. We are pleased to provide comments to the Financial Accounting Standards Board ("FASB") on its proposal to defer the effective date of ASU 2018-12, Financial Services-Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts ("LDTI") by one year and to provide transition relief by aligning the early adoption and standard adoption transition dates to January 1, 2021 for SEC filers.

Allstate supports the proposed effective date deferral for LDTI as insurance entities have experienced significant challenges in maintaining the necessary pace of progress on their LDTI implementation plans to meet the currently existing effective date of January 1, 2022, due to the extensive impacts of COVID-19 which has caused resources to be reallocated to analyze and address impacts of the pandemic. We also support the unique approach set forth in the proposed ASU of requiring a common transition date of January 1, 2021, whether early adopting as of January 1, 2022 or following the standard adoption date of January 1, 2023; this proposal both encourages early adoption and provides the comparability required by investors.

We appreciate FASB responding to the life insurance industry’s request to consider deferral due to the extraordinary circumstances that arose in connection with the pandemic and acknowledge the FASB’s time and effort during this challenging time to perform the industry outreach necessary to address the deferral issue. Moreover, we believe the proposed ASU provides reporting entities a reasonable amount of additional time to appropriately address LDTI implementation interruptions experienced to date as a result of the pandemic.

Our specific responses to the Questions for Respondents are included in the attached Appendix. Do not hesitate to contact either one of us to discuss Allstate’s comments on the proposed ASU or other topics related to LDTI.

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Appendix

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

Yes, the effective date of LDTI should be deferred for all insurance entities by one year. As observed by the FASB during its industry outreach, COVID-19 has resulted in far reaching impacts to life insurers including impacts to the execution of insurance entities’ LDTI implementation plans as both internal and external resources have been either reassigned or otherwise have not been available to their pre-COVID extent. A one-year deferral for all entities will relieve pressure on insurance entities’ implementation programs and allow the time necessary to adopt the new standard in a comprehensive manner without over reliance on practical expedients that might otherwise be necessary if the effective date were not extended.

**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, the proposed guidance which establishes the early adoption transition date as of the beginning of the prior period presented reduces restatement burden for reporting entities considering early application of the new standard. Moreover, aligning the early adoption and standard adoption transition dates to January 1, 2021 for SEC filers will encourage more reporting entities to consider early adoption and for those that do select early adoption, their transition date will be consistent with those reporting entities who do not elect early adoption which eliminates comparability issues for investors. We applaud the FASB for identifying this elegant solution which benefits both reporting entities and investors.