



September 13, 2019

Submitted via email to director@fasb.org

Edward R. Byrd
Senior Vice President and Chief Accounting Officer
Pacific Life Insurance Company
700 Newport Center Drive
Newport Beach, CA 92660

Re: File Reference No. 2019-750

Pacific Life Insurance Company (“Pacific Life”) appreciates the opportunity to respond to the Proposed Accounting Standards Update, *Financial Instruments - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815) and Leases (Topic 842): Effective Dates* (the “Proposed Update”).

Prior to the Proposed Update, the FASB presented three buckets of effective dates for the adoption of Topic 842, *Leases* in connection to [ASU 2016-02](#). Specifically, in response to industry feedback received on the operational challenges to implement the new lease standard, the FASB issued [ASU 2017-13](#)¹ in September 2017 that provided a deferred effective date of January 1, 2020 for a Public Business Entity (“PBE”) that would not otherwise meet the definition of a PBE except for a requirement to file or furnish its financial statements or financial statements of another entity’s filing with the Securities and Exchange Commission (“SEC”)—hereby referred to as a “PBE Non-SEC Filer.” However, the Proposed Update does not discuss this PBE Non-SEC Filer exception in the definition of a PBE as it relates to the two-bucket approach for leases: *Bucket One—PBEs* and *Bucket Two—All Other Entities*.

In the Proposed Update, it is unclear whether 1) PBE Non-SEC Filers are allowed to follow the effective-date guidance in ASC 842-10-S65-1² (i.e., fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020), 2) if “all PBEs” would include PBE Non-SEC Filers requiring them to follow the revised effective date as drafted in the Proposed Update (i.e., fiscal years beginning after December 15, 2018, and interim periods within those fiscal years), effectively negating the codification of the SEC staff announcement, or 3) if PBE Non-SEC Filers should follow the definition of *Bucket Two—All Other Entities* and adhere to the revised effective date of December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021.

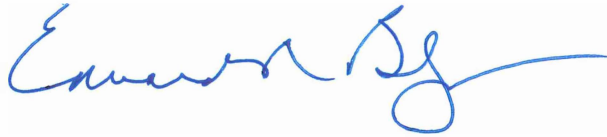
Pacific Life believes that its reporting entities determined to be PBE Non-SEC Filers should be classified within *Bucket Two—All Other Entities*, which permits a deferred adoption date for the requirements prescribed in ASU 2016-02. We believe that it is important that the FASB revise or clarify the Proposed Update for its scoping criteria for the *PBE* and *All Other Entities* buckets as it relates to the adoption of the new lease standard.

¹ Refer to ASU 2017-13, *Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments*.

² Codified SEC staff announcement: transition related to Accounting Standard Updates No. 2014-09 and 2016-02.

We would be pleased to discuss our comments and share additional perspective with the Board or its staff at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read "Edward R. Byrd". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Edward R. Byrd
Senior Vice President and Chief Accounting Officer