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Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
Via Email to: rule-comments@sec.gov

Re: Proposed Rule on Updated Disclosure Requirements and Summary Prospectus for Variable Annuity and Variable Life Insurance Contracts, File No. S7-23-18

Dear Mr. Fields:

Teachers Insurance and Annuity Association of America (“TIAA”) appreciates the opportunity to submit this letter in response to the Securities and Exchange Commission’s (“SEC,” or the “Commission”) request for public comment from individual investors and other interested parties on the above-rulemaking proposal to permit the use of summary prospectuses for variable annuity and variable life insurance contracts (the “Proposal”).¹ We support the Proposal and commend the Commission for addressing this important issue and for the thoughtfulness of its approach. TIAA has also been involved in drafting and generally supports the comment letters of the following industry trade groups: Committee of Annuity Insurers, American Council of Life Insurers, Insured Retirement Institute, and the Investment Company Institute.

About TIAA.

Founded in 1918, TIAA is the leading provider of retirement services for those in academic, research, medical, and cultural fields. Over our century-long history, TIAA’s mission has always been to aid and strengthen the institutions, retirement-

¹ *Updated Disclosure Requirements and Summary Prospectus for Variable Annuity and Variable Life Insurance Contracts*, Release Nos. 33-10569; 34-84508; IC-33286 (October 30, 2018), available at: <https://www.sec.gov/rules/proposed/2018/33-10569.pdf>

plan participants, and retail customers we serve and to provide financial products that meet their needs. To carry out this mission, we have evolved to include a range of financial products and services, including asset management and retail services. In addition, we have a long history of offering variable products. College Retirement Equity Fund (“CREF”), the first variable annuity, was created in 1952 to serve the evolving retirement needs of participants by providing a solution to protect lifetime retirement income from the effects of inflation and rising costs. In its over sixty year history, CREF has provided retirement income for over four million people.

Today, TIAA has multiple registered investment adviser (“RIA”) and broker-dealer affiliates. Our investment model and long-term approach aim to benefit the five million individual customers we serve across more than 15,000 institutions.² TIAA’s investment management subsidiary, Nuveen, LLC (“Nuveen”), includes RIAs that collectively manage over \$930 billion in assets, including registered investment companies, separately managed accounts, and various other product offerings. This includes over \$134 billion in mutual funds, closed-end funds, and exchange-traded funds in the Nuveen fund complex; over \$129 billion in the TIAA-CREF mutual fund complex; and over \$245 billion in CREF, TIAA and TIAA Life variable annuity and variable life contracts.³

We support the SEC’s efforts to extend the disclosure framework for summary prospectuses to variable annuities and other variable insurance products.

As a variable contract provider, TIAA is particularly interested in providing meaningful disclosure to help investors make informed investment decisions. We support the Proposal’s extension of the SEC’s existing summary prospectus framework to include variable annuities and other variable insurance products. As Division of Investment Management Director Dalia Blass explained in her September 2018 congressional testimony, “Investors in variable annuities and other variable insurance products often have to navigate a complex set of disclosures about the variable contract and underlying investment options when deciding whether to invest.”⁴ Allowing providers of variable products to send summary prospectuses, similar to mutual funds, would simplify the disclosure process and decrease investor confusion and would reduce the significant printing and mailing costs for variable products. For that reason, we not only support the extension of the current summary prospectus regime to variable products, but we also support the Commission’s

² Participant data are as of December 31, 2018.

³ Asset data are as of December 31, 2018.

⁴ United States Cong. House Committee on Financial Services, Subcommittee on Capital Markets, Securities, and Investment. *Testimony on “Oversight of the SEC’s Division of Investment Management.” Sep. 26, 2018.* 115th Cong. 2nd sess. (statement of Dalia Blass, Director, Division of Investment Management, SEC), available at: <https://www.sec.gov/news/testimony/testimony-2018-09-26-blass>.

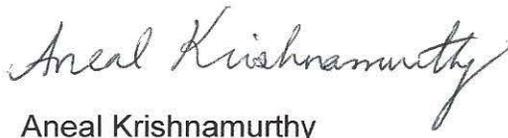
proposal for a “notice and access” approach for delivery of underlying fund prospectuses. We recommend that any changes the SEC makes to the summary prospectus framework (e.g., allowing mutual fund summary prospectuses to be provided via an optional electronic “notice and access” method) apply to variable products as well.⁵

We also recommend that the SEC consider the investor benefits that would result from simplifying the disclosure regime for insurance products not currently permitted to be registered on the N-forms as part of a future rulemaking. Those products are registered on Forms S-1/S-3 instead, which require substantial disclosures related to the operations of the issuer, executive compensation, management’s discussion and analysis of financial condition and results of operations, and other items that do not help investors focus on the features of the insurance product. A summary prospectus approach for those products would encourage further product innovation by providing a more straightforward registration format and a more streamlined investor experience consistent with the SEC’s approach for mutual funds and variable products.

Conclusion.

TIAA appreciates the SEC’s efforts to extend the disclosure framework for summary prospectuses to variable annuities and other variable insurance products. We believe the proposed changes will make disclosure for these types of products more effective and efficient as well as reduce costs for investors. We welcome the opportunity to engage further on any aspects of the foregoing.

Sincerely,


Aneal Krishnamurthy

⁵ See TIAA’s comment on Fund Retail Investor Experience and Disclosure, available at: <https://www.sec.gov/comments/s7-12-18/s71218-4592352-176299.pdf>