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TRANSAMERICA®

November 1, 2012

By Electronic Submission

Ms. Sauntia S. Warfield
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Elizabeth M. Murphy
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: Supplemental Comments on Stable Value Contract Study
CFTC/SEC Release No. 34-67927

Dear Ms. Warfield and Ms. Murphy:

Transamerica Stable Value Solutions and its affiliates Diversified and Transamerica Retirement Services possess a long history of expertise regarding the needs of employers, 401(k) and other retirement plans, and participants in those plans. Transamerica Stable Value Solutions (formerly known as AEGON Stable Value Solutions) pioneered the synthetic guaranteed investment contract in the insurance industry in 1991. Diversified is a leading provider of customized retirement plan administration and open-architecture investment solutions for mid- to large-sized organizations. Transamerica Retirement Services designs retirement plan solutions to meet the unique needs of small- to mid-sized businesses. As of December 31, 2011, Diversified and Transamerica Retirement Services together service over 19,000 retirement plans totaling over $86 billion in assets, and Transamerica Stable Value Solutions is a leading provider of synthetic GICs to stable value funds, with approximately $60 billion in contract balances.

From this vantage point, we have first-hand knowledge of the vital importance of the stable value asset class to the many participants we serve whose financial security depends on the continued availability of the asset class, and we thank you for the interest you are taking in stable value and for reopening the comment period for "*Acceptance of Public Submissions Regarding the Study of Stable Value Contracts*."[1] We urge you to conclude in your study of stable value contracts that stable value contracts do not fall within the definition of swaps and to exclude them from the CFTC's and SEC's regulation as swaps for the reasons we set forth in our previous submission, dated September 26, 2011 (a copy of which is attached), and for the reasons elaborated in the comment letter filed today by the Stable Value Investment Association (the "SVIA Letter").

[1] *See* 77 Fed. Reg. 60113 (Oct. 2, 2012).

As noted in the SVIA Letter, the logic employed by the CFTC and SEC in developing the definitions of "swap," "security-based swap," and other related terms[2] reinforces the conclusion that stable value contracts are not swaps. In common with insurance contracts exempted by the Final Rule, with respect to most stable value contracts the beneficiaries thereof have a stake in the interest on which the agreement is written, payments are made when losses are proved, payments cannot be precipitated by the other parties to the contract, and there is no market in or trading of stable value contracts. Moreover, as bespoke contractual arrangements that are not traded and cannot be cleared, stable value contracts are by their nature incompatible with the regulatory framework established by Congress in the Dodd-Frank Act to regulate over-the-counter swaps.

Stable value contracts should be viewed in the context of retirement security and ERISA's 38 years of experience in protecting and upholding this asset class. They should not be viewed as swaps or financial instruments that contributed to the financial crisis. Further, stable value contracts are not unregulated or under-regulated products. Stable value contracts and the financial institutions that issue them have a strong history of regulation and supervision by either state insurance departments in conjunction with the National Association of Insurance Commissioners (for stable value contracts issued by insurers), or by the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (for stable value contracts issued by other financial services institutions), and the Department of Labor and similar governmental counterparts on the state level for all stable value contracts. These regulators have also applied their oversight to evaluate and ensure that stable value contracts do not pose systemic risks to the integrity of the U.S. financial system and our retirement system.

The participants we serve rely upon stable value funds' capital preservation combined with consistent positive returns. Stable value funds historically have provided a 100 to 200 basis point premium over money market funds, and in each of 2009, 2010 and 2011, stable value funds returned over 3%. Stable value funds' lack of correlation with stocks provides greater diversification benefits to 401(k) plan participants than other conservative fixed income alternatives. For these reasons, it is imperative and in the public interest that stable value contracts held by stable value funds be excluded from the definition of swap and therefore from swap regulation.

For these reasons, we urge you to conclude that stable value contracts are not swaps. Thank you for your consideration of our comments.

Yours truly,

Marijn P. Smit
President
Transamerica Stable Value Solutions

[2] *See Further Definition of "Swap," "Security-Based Swap," and "Security-Based Swap Agreement"; Mixed Swaps; Security-Based Swap Agreement Recordkeeping*, 77 Fed. Reg. 48208 (Aug. 13, 2012) (the "Final Rule").

AEGON® Stable Value Solutions

September 26, 2011

By Electronic Submission

David A. Stawick
Secretary
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: Stable Value Study
CFTC/SEC Release No. 34-65153; File No. S7-32-11

Dear Mr. Stawick and Ms. Murphy:

Members of the AEGON Group of companies possess a long history of expertise regarding the needs of employers, 401(k) and other retirement plans, and participants in those plans through their retirement-related businesses in the United States, which include AEGON Stable Value Solutions, Diversified and Transamerica Retirement Services. AEGON Stable Value Solutions (through affiliates Monumental Life Insurance Company and Transamerica Life Insurance Company) pioneered the synthetic guaranteed investment contract in the insurance industry in 1991. Diversified is a leading provider of customized retirement plan administration and open architecture investment solutions for mid- to large-sized organizations. And Transamerica Retirement Services designs customized retirement plan solutions to meet the unique needs of small- to mid-sized businesses. As of December 31, 2010, Diversified and Transamerica Retirement Services together service over 18,000 retirement plans totaling over $82 billion in assets and AEGON Stable Value Solutions is the leading provider of synthetic GICs to stable value funds, with approximately $60 billion in contract value balances.

From this vantage point, we have first-hand knowledge of the vital importance of the stable value asset class to the many participants we serve whose financial security depends on the continued availability of the asset class, and we urge you conclude in your study of stable value contracts that stable value contracts do not fall within the definition of swaps and exclude them from the CFTC's and SEC's regulation as swaps.

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Louisville, KY 40202
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Briefly, stable value contracts are not swaps since they are not leveraged, not tradable, not freely assignable, not marked to market, and cannot be cleared. Stable value contracts also differ from swaps since they are supported by an underlying broadly diversified portfolio of conservative, on average high credit quality bond investments (typically AA- to AA+) with average durations of three years. Importantly, payments under stable value contracts cannot be precipitated by either party, since defined contribution plan participants transact at contract value, which is participants' principal and accumulated interest.

Stable value contracts should be viewed in the context of retirement security and ERISA's 37 years of experience in protecting and upholding this asset class. They should not be viewed as swaps or financial instruments that contributed to the financial crisis. Further, stable value contracts are not unregulated or under-regulated products. Stable value contracts have a strong history of regulation and supervision by state insurance departments (and model guidance by the National Association of Insurance Commissioners (NAIC)), the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Department of Labor and similar governmental counterparts on the state level. These regulators have also applied their oversight to evaluate and ensure that stable value contracts do not pose systemic risks to the integrity of the U.S. financial system and our retirement system.

The participants we serve rely upon stable value funds' capital preservation combined with consistent positive returns. Stable value funds historically have provided a 100 to 200 basis point premium over money market funds. In each of 2009, 2010 and 2011, stable value funds have returned over 3%, which is many times more than money market funds returned. Stable value funds' lack of correlation with stocks provides greater diversification benefits to 401(k) plan participants than other conservative fixed income alternatives. For these reasons, it is imperative and in the public interest that stable value contracts held by stable value funds be excluded from swap regulation.

The AEGON Group of companies support the comments filed by the American Council of Life Insurers and the comments filed jointly by the Stable Value Investment Association, the American Bankers Association, and the Financial Services Roundtable, which explain in depth why stable value contracts are not swaps and why it is in the public interest to ensure that stable value contracts not be subject to swap regulation.

For these reasons, we urge you to conclude that stable value contracts are not swaps. Thank you for your consideration of our comments.

Yours truly,

Marijn P. Smit
President
AEGON Stable Solutions