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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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.

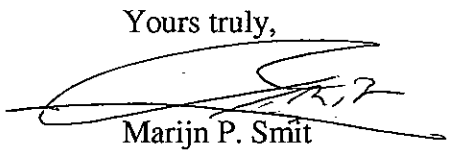
Stable value contracts should be viewed in the context of retirement security and ERISA's 37 years of experience in protecting and upholding this asset class. They should not be viewed as swaps or financial instruments that contributed to the financial crisis. Further, stable value contracts are not 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