

September 6, 2011

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Commodity Futures Trading Commission
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Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
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**Re: Release No. 34-65153; File No. S7-32-11: Acceptance of Public Submissions
Regarding the Study of Stable Value Contracts**

Dear Commissioners:

We are submitting this letter on behalf of the Committee of Annuity Insurers (the "Committee") in connection with the Securities and Exchange Commission's (the "SEC") and the Commodity Futures Trading Commission's (the "CFTC," and together with the SEC, the "Commissions") joint request for comments (the "SVC Joint Request")¹ on stable value contracts ("SVCs") under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The Dodd-Frank Act requires the Commissions to conduct a study to determine whether SVCs fall within the definition of swap under Title VII of the Dodd-Frank Act and, if so, whether SVCs should be exempted from such definition (the "SVC Study");² the SVC Joint Request is intended to further such study. The SVC Joint Request was published on the Commissions' websites on August 18, 2011 and was published in the Federal Register on August 25, 2011, with a September 26, 2011 comment deadline. To allow time for potentially affected parties to submit informed and useful commentary, and in recognition of the importance and potentially material impact that the SVC Study could have on the insurance industry, the Committee strongly supports the American Council of Life Insurer's (the "ACLI") request that the Commission extend the September 26, 2011 comment deadline in the SVC Joint Request.³

¹ Acceptance of Public Submissions Regarding the Study of Stable Value Contracts, at 76 Fed. Reg. 53162 (August 25, 2011).

² Dodd-Frank Act Section 721(d)(1).

³ Letter of ACLI, dated August 25, 2011, available at <http://comments.cftc.gov/PublicComments/ViewComment.aspx?id=48108&SearchText=>.

The Committee

The Committee was formed in 1982 to address Federal legislative and regulatory issues relevant to the annuity industry and to participate in the development of Federal securities, banking, and tax policies regarding annuities. For nearly three decades, the Committee has played a prominent role in shaping the Federal government's policies with respect to annuities. Today the Committee is a coalition of 32 of the largest and most prominent issuers of annuity contracts. The Committee's member companies represent over 80% of the annuity business in the United States. A list of the Committee's member companies is attached as Appendix A.

Swaps and SVCs under the Dodd-Frank Act

As acknowledged by a number of the questions in the SVC Joint Request, the SVC Study is intimately related to the definition of swap under Title VII of the Dodd-Frank Act. On behalf of the Committee, the undersigned previously commented on (1) the definition of swap under Title VII of the Dodd-Frank Act in a letter dated December 3, 2010⁴ and (2) the Commissions' joint proposed rules and proposed interpretive guidance further defining the term swap under Title VII of the Dodd-Frank Act in a letter dated July 22, 2011⁵ (together, the "Committee Comment Letters"). The Committee Comment Letters intentionally did not cover SVCs because the Committee recognized that SVCs were to be addressed subsequently in connection with the SVC Study. As discussed and emphasized in the Committee Comment Letters, the Committee's member companies have critical and abiding interests in ensuring that the term swap is interpreted, applied and further defined in a manner that effectuates Congress' intent of not improperly and unintentionally encompassing the annuities and other guaranteed retirement income products that Committee members issue to broad classes of American workers, savers, investors, retirement plan participants and other policyholders. A number of these products could be SVCs within the statutory or proposed regulatory definition of swap.⁶ Accordingly, Committee members have critical and abiding interests in the outcome of the SVC Study and appreciate the opportunity to inform such study through comments.

In order for the Commissions to fulfill their statutory mandate of determining whether SVCs are swaps, the Commissions should first finalize its regulations further defining the term swap. The Dodd-Frank Act contemplated that these regulations (along with other regulations to be promulgated under the Dodd-Frank Act) would be issued in final form not later than July 16, 2011 (360 days after July 21, 2010, the date of enactment of the Dodd-Frank Act).⁷ Accordingly, in setting an October 21, 2011 deadline for the SVC Study, it is reasonable to assume that Congress intended such study to account for the final swap definition and market participants' reaction thereto. The Committee agrees with this approach and therefore believes that the deadline for comments to the SVC Joint

⁴ Letter of Sutherland Asbill & Brennan LLP, on behalf of the Committee, dated December 3, 2010, attached as Appendix B to the letter of Sutherland Asbill & Brennan LLP, on behalf of the Committee, dated July 22, 2011, available at <http://comments.cftc.gov/PublicComments/ViewComment.aspx?id=47899&SearchText=committee%20of%20annuity>.

⁵ Letter of Sutherland Asbill & Brennan LLP, on behalf of the Committee, dated July 22, 2011, available at <http://comments.cftc.gov/PublicComments/ViewComment.aspx?id=47899&SearchText=committee%20of%20annuity>.

⁶ Dodd-Frank Act Section 721(d)(2).

⁷ Dodd-Frank Act Section 712(a)(3).

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Request should be a reasonable amount of time after publication of a final version of the Commissions' regulations further defining the term swap.

Request for Extension of Comment Period

The Committee agrees with the ACLI that conducting the SVC Study in a meaningful and thorough manner is more important than meeting the 15-month statutory deadline for completion of such study. In order to conduct a thorough and meaningful study, the Commissions must (1) provide the public adequate time to respond to the 29 questions that the Commissions' staff have carefully crafted to obtain necessary information about SVCs and their role in the market and (2) finalize their rulemakings and interpretive guidance on the definition of "swap."

The SVC Joint Request contains 29 detailed and complex questions, each requiring substantial and time-consuming analysis. For the reasons discussed in ACLI's letter, 30 days is an extremely short time period for multi-member groups, such as the ACLI and the Committee, to gather, organize, analyze and discuss the information necessary to respond to the questions in the SVC Joint Release. Like the ACLI, before the Committee may submit any comments, it must allow time for its members to review and provide feedback regarding such comments and it must reach a consensus on the issues it raises. Although such a process is time consuming, the Committee believes that it results in more thoughtful and informative comments. Additionally, the Committee believes that the Commissions and other regulators ultimately benefit from the time spent by the Committee (and other similar trade groups and organizations) in consolidating the views of a large number of interested parties.

Like the ACLI, the Committee has begun formulating a response to the SVC Joint Request. However, due to Summer vacation schedules and the Federal holiday for Labor Day on September 5, 2011, it will be very difficult for the Committee to formulate well-informed comments in the next three weeks and submit such comments by September 26, 2011. Moreover, if the Committee is required to submit comments in response to the SVC Joint Request before its members have an opportunity to review and analyze a final version of the Commissions' regulations further defining the term swap, the Committee's comments will be necessarily limited by, and tentative due to, the considerable regulatory uncertainty resulting from the pending status of the swap definition.

Conclusion

For the foregoing reasons, the Committee respectfully requests that the Commissions extend the comment deadline in the SVC Joint Request until the later of (1) November 28, 2011 (approximately 60 days after the existing deadline) or (2) a reasonable amount of time after publication of a final version of the Commissions' regulations further defining the term swap.

* * * * *

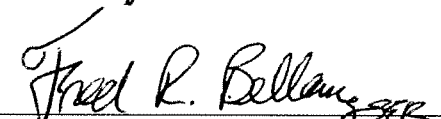
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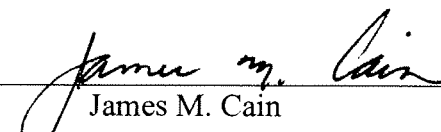
The members of the Committee very much appreciate your consideration of the views expressed above. If you have any questions, please feel free to contact the undersigned.

Respectfully submitted,

SUTHERLAND ASBILL & BRENNAN LLP

BY: 
Stephen E. Roth

BY: 
Frederick R. Bellamy

BY: 
James M. Cain

FOR THE COMMITTEE OF ANNUITY
INSURERS

Attachments: Appendix A

cc: Stephen A. Krane
David E. Aron
Matthew A. Daigler
Donna Chambers
Leah Drennan

Appendix A

**THE COMMITTEE OF ANNUITY INSURERS
MEMBER LIST
July 2011**

AEGON Group of Companies
Allstate Financial
AVIVA USA Corporation
AXA Equitable Life Insurance Company
Commonwealth Annuity and Life Insurance Company
(a Goldman Sachs company)
CNO Financial Group, Inc.
Fidelity Investments Life Insurance Company
Genworth Financial
Great American Life Insurance Co.
Guardian Insurance & Annuity Co., Inc.
Hartford Life Insurance Company
ING North America Insurance Corporation
Jackson National Life Insurance Company
John Hancock Life Insurance Company
Life Insurance Company of the Southwest
Lincoln Financial Group
MassMutual Financial Group
Metropolitan Life Insurance Company
Nationwide Life Insurance Companies
New York Life Insurance Company
Northwestern Mutual Life Insurance Company
Ohio National Financial Services
Pacific Life Insurance Company
Protective Life Insurance Company
Prudential Insurance Company of America
RiverSource Life Insurance Company
(an Ameriprise Financial company)
SunAmerica Financial Group
Sun Life Financial
Symetra Financial
The Phoenix Life Insurance Company
TIAA-CREF
USAA Life Insurance Company