TRANSAMERICA®

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March 14, 2017

Submitted Electronically to EBSA.FiduciaryRuleExamination@dol.gov

The Office of Regulations and Interpretations
Employee Benefits Security Administration
Attn: Proposed Definition of Fiduciary Regulation
Room N-5655
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

Re: RIN 1210-AB79
Comment letter in Support of Proposed Delay

Ladies and Gentlemen:

The Transamerica companies (the "Company") submit this comment in support of the Department of Labor's ("Department") proposed delay (the "Proposed Delay") in the applicability date of the regulation under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), that redefines the term "fiduciary" under section 3(21) of ERISA and section 4975(e) of the Internal Revenue Code of 1986, as amended (the "Code") and in the applicability dates of the exemptions granted with the final rule (the regulation and exemptions collectively referred to as the "Rule"). The Company strongly supports the Proposed Delay and requests that the Proposed Delay be extended by 180 days and be applied to both the April 10, 2017 applicability date and the January 1, 2018 applicability date for full compliance with the Rule. The Proposed Delay, including the extensions requested above, is in the interest of the Company's retail customers, plan participants and beneficiaries.

The Company markets life insurance, annuities, retirement plans, and supplemental health insurance, as well as mutual funds and related investment products. Transamerica products and services help people protect against financial risk, build financial security and create successful retirements. Currently, Transamerica is among the ten largest providers in the U.S. of variable annuities. Transamerica provides services and products through life insurance agents, broker-dealers, banks, wholesalers, and direct marketing channels as well as through the workplace. Transamerica has 269,776 licensed producers in the United States. In 2016, Transamerica paid $6.9 billion in benefits to its policyholders.

The Proposed Delay is necessary for the Department to complete its review of the Rule as directed by President Trump in his February 3, 2017 Memorandum (the "Presidential Memorandum") without the Rule becoming applicable beforehand. The Presidential Memorandum directs the Department to "determine whether [the Rule] may adversely affect the ability of Americans to gain access to retirement information and financial advice." Among other matters, the Presidential Memorandum calls for "an updated economic and legal analysis concerning the likely impact" of the Rule.

The Department has requested comments on the issues raised by the Presidential Memorandum, and absent the Proposed Delay, the comment period will not close until six days *after* the Rule's current applicability date. It would be both disruptive to the marketplace and harmful to Americans saving for retirement if the Rule were to become applicable before the Department completes the review required by the Presidential Memorandum. In the absence of a sufficient delay, the Company will be required to make material changes to the Company's product and retirement plan offerings only to have to undo or modify those changes if the Rule is later revised. That will lead to confusion among consumers and additional costs, which will inevitably be borne by retirement savers.

The Company has expended significant time and money to date in its efforts to comply with the Rule, including diverting resources and capital from other initiatives to help people prepare for a financially secure retirement. The Company expects to spend significant more resources every day to prepare for implementation of the Rule unless and until the applicability date is officially delayed. In addition, the Company expects to spend approximately $10 million more per year in ongoing compliance efforts. Finally, if the Proposed Delay does not become final before the April 10th applicability date, the Company faces the risk of litigation resulting from lack of clarity in the Rule, as well as the risk that distributors and advisors will cease to sell or provide advice with respect to the Company's products. The Company has been working with distributors and advisors in the effort to comply with the Rule; however, many distributors and advisors have indicated that they are considering withdrawing from selling the Company's products to smaller balance customers due to increased compliance costs relative to the account assets, as well as to avoid the potential litigation risk in moving to a compensation structure in compliance with the Rule that they do not believe is in the best interest of their clients. The Proposed Delay will avoid these further costs and risks until the Department makes a final decision as to whether the Fiduciary Rule should be retained, revised or revoked.

The Company strongly disagrees with the Department's suggestion that potential investor losses that the Department estimated would be eliminated by the Rule will continue if the Proposed Delay becomes final. The Company believes that the current cost analysis the Department is relying on is deeply flawed and is contrary to the Company's own experience as noted below. In particular, the Department has consistently failed to present a cost benefit analysis relating to its advice given with respect to annuities.

The Company strongly believes that the Proposed Delay will avoid further harm to customers due to confusion resulting from changes in the products and services offered to them, as well as subsequent changes that may result from revisions to the Rule after the Department's review pursuant to the Presidential Memorandum. Because of the uncertainty regarding the Rule and the President's Memorandum, the Company has not advised clients of the ways in which the Rule will affect the products and services available to them. The Company has already seen a decrease in the sales of annuity products designed to help provide customers guaranteed lifetime income. Distributors and advisors have been reluctant to sell annuity products due to changes in the compensation structure to comply with the Rule because they consider the changes in compensation structure not to be in the best interest of the customer.

The Company has consistently indicated its support for a best interest standard, transparency and treating customers fairly. As such, the Company has always operated and continues to operate within the spirit of what was intended by the Rule. The Company will work to provide data to the Department responsive to the concerns noted in the Presidential Memorandum, including information to help the Department's understanding of the changing products and services in this market.

The Company strongly supports a delay in the Applicability Date. No retirement investor's interest will be served if the Rule goes into effect before the Company have certainty on the products and services that can be provided under the Rule.

The Company urges you to grant the delay as soon as possible.

Dave Paulsen
Executive Vice President, Chief Distribution Officer
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