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From: Miriam Lohmann [<mailto:MLOHMANN@standard.com>]

Sent: Friday, February 08, 2008 4:34 PM

To: EBSA, E-ORI - EBSA

Subject: Comments - Proposed amendment to 408(b)(2)

To: Office of Regulations and Interpretations, Employee Benefits Security Administration

From: Standard Insurance Company, Retirement Services division

RE: Comments on Proposed Rule, Reasonable Contract or Arrangement Under Section 408(b)(2) - Fee Disclosure

I represent the retirement plans services division of Standard Insurance Company. We provide financial and recordkeeping services to qualified plans such as 401(k)s, 401(a), and 403(b) plans. Thank you for the opportunity to comment on the proposed rules regarding a reasonable contract or arrangement under Section 408(b)(2). In general, we applaud the Department's efforts to bring uniformity to fee disclosure.

Our comments relate to the proposed requirement that contract language reference fee disclosure and include a representation that the information was provided prior to the time the contract was entered into. As an insurance company, we face a practical difficulty in making changes to boilerplate group annuity contract language because our language, including any amendments to it, are subject to approval by the state insurance department of each state we do business in. In most cases, any additions to our contract language would need to be filed with and approved by state insurance regulators prior to use.

Such filings can be a lengthy process. Many state insurance departments are overburdened already, and the time frame for approval can range from several months to a year or more. We fear that having to add the required language into our contract forms will seriously impact how quickly we can comply with the regulation. Of course, an additional concern is that the filing fees connected with re-filing the contract language will be an added expense.

In order to allow us to comply quickly with any final regulation, we urge the Department to consider a change to the final regulation that would permit "stand-alone" contracts or agreements that would include the required disclosures and representations. Because a stand alone contract would not be part of our group annuity contract, we would not be required to file the language with the state insurance divisions, and we could more quickly comply with the regulation. This change would also have the added benefit, for providers who are not subject to insurance regulation, of not opening existing contracts to re-negotiation, which would burden not just providers but plans and their sponsors as well.

Thank you for your consideration of this issue. Please feel free to contact me if you have questions.

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