Letter of Comment No: 8
File Reference: 1100-163
Date Received: 6/21/02



June 21, 2002

Ms. Suzanne Bielstein
Director of Major Projects and Technical Activities
Chairman, Derivatives Implementation Group
401 Merritt 7
P O Box 5116
Norwalk, CT 06856-5116

## Re: Statement 133 Amendment Exposure Draft

The purpose of this letter is to comment on paragraph 7(h) of Statement 133 Amendment Exposure Draft, which adopts Statement 133 Implementation Issue No. C19, "Scope Exceptions: Contracts Subject to Statement 35, Statement 110, or Statement of Position 94-4" (Issue C19). We fully support the conclusions reached by the Financial Accounting Standard Board's (FASB) staff and encourage the FASB's approval of this section of the amendment. Our comments focus on the scope exception for contracts subject to SOP 94-4 in that paragraph.

For defined contribution plan participants and sponsors, the most important and useful information is the amount of the participant's account balance available for withdrawal. The sum of these amounts for all participants should match the net assets available for plan benefits on the plan's financial statements. This is outlined in paragraph 3.09, footnote 6 of the AICPA Audit and Accounting Guide-Audits of Employee Benefit Plans which states: "in a defined contribution plan, the plan's net assets available to pay benefits equals the sum of participants' individual account balances." Paragraph 3.09 also states: "the primary objective of a defined contribution plan's financial statements is to provide information that is useful in assessing the plan's present and future ability to pay benefits when they are due."

The scope exception for synthetic GICs provided for by this amendment supports this objective by providing for the combination of the trust assets and the synthetic GIC contract to be reported at the value that participants will receive upon withdrawal. The contract value accounting described in SOP 94-4 should be retained as the appropriate plan accounting model for synthetic GICs because

it reflects the amount of assets available to satisfy plan obligations and is the most useful information for plan sponsors and plan participants.

Stable value investment options for plan participants are becoming increasingly important as equity markets fluctuate and with the aging demographics of the population. Continuing stable value accounting treatment for these participants preserves the availability of these investment options and assists in the development of a well-diversified savings plan. Accordingly, we are in favor of the approval of this section of the Statement 133 amendment. We appreciate the opportunity to share these comments with you and would be happy to discuss them with you or your staff at your convenience.

Very truly yours,

Director of Product Accounting

Emily Bates adj

Phone: (502) 560-3088 Fax: (502) 560-2558 ebates@aegonusa.com

Katherine Kuntz

Manager

Phone: (502) 560-2568 Fax: (502) 560-2558 kkuntz@aegonusa.com

Katheine King