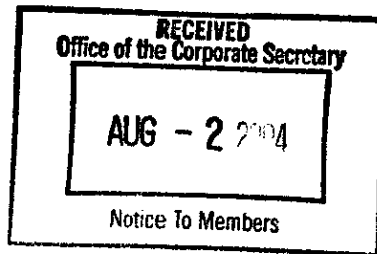




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July 28, 2004

Ms. Barbara V. Sweeney
NASD, Office of the Corp Secretary
1735 K Street, NW.
Washington, DC 20006-1500

Dear Ms. Sweeney,

Thank you for the opportunity for me to provide comments regarding the proposed rule changes as they relate to sales practice standards of variable annuities. I am both a registered representative who markets variable annuities and a registered principal who approves other registered representative's trades. My comments are as follows:

1. An implication that variable annuities are unsuitable for qualified plans in my opinion, is incorrect. If the experience of the years 2000, 2001 and 2002 have taught us anything, it's that death benefit guarantees along with living benefit guarantees are invaluable to investors. Investors who have come into my office that have seen their retirement nest eggs fall because they were improperly invested wished they had the downside protection of a variable annuity not only for their own lifetime income, but for their spouse's benefit as well. Lifetime income, guaranteed death benefits and living benefit riders are becoming increasingly important to the aging baby boomers especially due to the fact that most companies now have done away with traditional pension plans and leave investing and the risk of their capital up to the investors through 401K plan accumulation.

My clients find that living benefits add peace of mind not found in products such as mutual funds and also offer the upside potential growth similar to mutual fund investing. Yes, there is an additional cost for this piece of mind, and as long as these costs are disclosed, having these programs included in IRA's or qualified pension plans are invaluable.

2. As a principal, a one day review would be onerous and costly. A review such as this will not in itself provide investor protection. Every state has a free look provision which allows an investor to review his or her annuity contract and return it if it is not exactly as he or she thought. Most annuity companies will offer this 10 day free look in such a

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