



Wednesday, December 22, 2010

Ben Bernanke
Federal Reserve
20th Street and Constitution Ave NW
Washington, DC 20551

RE: Call to Withdraw Regulation Z Disclosure Modifications Docket No. R 1390

Dear Mr. Bernanke:

I am writing to you today because my company is very concerned with the Federal Reserve Board's recent proposal to modify Regulation Z of the Truth in Lending Act. The modifications include significant changes to the disclosures for protection products, including credit life, credit disability, and debt cancellation. The current Regulation Z proposal would mandate disclosures that unfairly and inaccurately prejudice the valuable protection these products provide. Examples of these disclosures include the following:

`If you already have enough insurance or savings to pay off this loan if you die, you may not need this protection`

`Other types of insurance can give you similar benefits and are often less expensive.`

`You may not receive any benefits even if you buy this product.`

My company supports accurate and balanced disclosures for customers who purchase credit insurance and debt cancellation products. However, the proposed disclosures have gone well beyond providing information and now misrepresent the value of payment protection products to bank customers.

Protection products enable bank customers to make loan and credit card payments when they or their families are more vulnerable to defaulting on the payments. This protection provides members with peace of mind, especially members who do not have, and may not qualify for, other types of insurance.

Another advantage of these products is the protection the products provide to our customers' credit ratings in order to ensure they have continued access to credit. Ultimately, we are concerned that a significant portion of bank customers who would benefit from these products will elect not to purchase them because they are incorrectly told that these are bad and inferior products.

Credit insurance is one of the most heavily regulated products at a state level and disclosures have been tried and tested over decades. Disclosures are rarely referenced by customers as a concern and are written in a manner that can be understood by anyone with even an elementary school education. I ask, why change something that already works for the customer?

I urge you to withdraw the proposed modifications to the Regulation Z. I request that the current disclosures remain in effect unless and until they can be revised in an objective, unbiased manner that does not unreasonably interfere with commerce and the business of insurance. The government does not dissuade its citizens from buying other types of products and services in other industries and should not do so for insurance products.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank McShalley". The signature is fluid and cursive.

Mr. Frank McShalley
Manager, Client Services
Transamerica Life & Protection