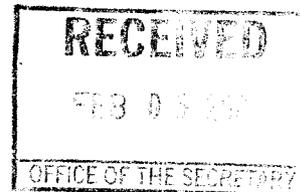




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February 3, 2004

Jonathan G. Katz  
Secretary  
Securities and Exchange Commission  
450 Fifth Street, NW  
Washington, D.C. 20549-0609

Re: File No. S7-27-03

Dear Mr. Katz:

I am writing on behalf of Standard Insurance Company, a provider of retirement plan services, to comment on the proposed amendments to rules governing pricing of mutual fund shares. We offer investments in many different mutual fund families and we are concerned about the proposed 4:00 pm "hard close".

Several industry groups and providers have already described the complex processing that occurs when a provider such as The Standard accumulates transaction orders from thousands of plan participants in the plans it serves. Much of this processing takes place over a period of several hours after close of market, culminating in a single purchase or redemption order to each mutual fund early on the next business day.

Our systems have been developed to process orders received by close of market on the basis of that day's NAV. We are able to process the redemption in one fund and the purchase in another at that day's closing price. Moving the cutoff for participants to submit transactions is not a realistic solution because the "rollup" of activity to arrive at that single trade order takes hours of processing after market close. Our clients and other plan sponsors in Pacific, Mountain, and Central time zones would be placed at a particular disadvantage.

Jonathan G. Katz, Secretary  
Securities and Exchange Commission  
Washington, DC

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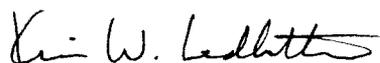
Creating entirely new systems to meet the requirements of the 4:00 pm hard close would be a lengthy, expensive and disruptive undertaking providing no added value for plans or participants. Applying the following day's price would avoid the costs of modifying systems, but would put the participants in the plans we serve at a disadvantage, encouraging plan sponsors to do business with a single fund family.

We offer mutual funds from many different fund families through our group annuity contract but we offer no proprietary mutual funds. Our goal is to offer excellent funds and to terminate funds when they no longer meet our criteria. Our approach helps plan fiduciaries fulfill their ERISA obligations of diversification and prudence, while the proposed hard close seems to undermine the ERISA fiduciary rules by encouraging single or limited fund family investment options.

We support efforts to strengthen monitoring and audit requirements in place of a hard close. The proposal places the onus of correcting trading abuses by others on the service providers, retirement plan sponsors, and plan participants who have not been implicated in those activities.

We urge you to reconsider the hard close in favor of appropriate monitoring and audit requirements. Thank you for your consideration.

Sincerely,



Kim W. Ledbetter, CLU, FSA  
Senior Vice President  
Individual Insurance and Retirement Plans

Cc: Senator Ron Wyden  
Senator Gordon Smith  
Representative David Wu  
Representative Earl Blumenauer  
Representative Darlene Hooley