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Date: September 2, 2008

To: SEC Headquarters

From: James A. Epperly

RE: File Number S7-14-08

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OFFICE OF THE SECRETARY

I support efforts to improve sales practices and am committed to insuring that all sales are suitable for the consumer. However, I believe the proposed rule is unnecessary federal regulation and ignores state insurance suitability requirements now in place in more than 35 jurisdictions. I firmly believe that current and pending state insurance disclosure, suitability and sales practice protection laws, including regulations, are quite adequately protecting consumers and will continue to do so.

I believe the adoption of this proposed rule has the potential to negatively impact not only insurance companies and agents, but consumers as well. These products are currently used by millions of Americans to help achieve their savings goals, particularly at a time when growing numbers of our population are looking for ways to preserve and increase their retirement nest-eggs. The rule would add unnecessary and redundant disclosures to the sales process and would likely impair the availability of fixed indexed annuities. Making these products less available to the consumer would deprive many from access to these products and their valuable principal guarantees.

The securities regulation will add little benefit to consumer protection. Many states have already adopted the NAIC Annuity Disclosure Model Regulation and most, if not all, of the major index annuity carriers have mandated the use of a disclosure statement or certificate describing all important terms and conditions of the annuity contract, including prominent disclosure of surrender charges. Many, if not all, major indexed annuity carriers conduct suitability reviews of all sales in all states. Suitability reviews required of brokers under FINRA rules would not all any meaningful protections over and above what is already being done.

The guarantees provided by an indexed annuity offer consumers significant protection against investment risk. The DJIA has suffered a decline this year in excess of 20% from its October 2007 record, yet a fixed indexed annuity purchaser will not lose any principal due to such market performance, unlike a consumer of an equity security or stock mutual fund, or a variable annuity. The annuity interest crediting formula protects the owner against loss due to drops in the index over the crediting period and while the guarantees provided certainly come at a price, this is fully disclosed to the purchaser.

Respectfully,

James A. Epperly

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