



August 4, 2008

The Honorable Christopher Cox
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman Cox:

We are writing to you regarding our opposition to the Securities and Exchange Commission (SEC) proposed rule S7-14-08 impacting Indexed Annuities and other insurance contracts.

First, Fixed Indexed Annuity products are already heavily regulated by state insurance departments. Through the work of the National Association of Insurance Commissioners (NAIC), these state insurance regulators have already developed suitability and disclosure statements for Fixed Indexed Annuity products. Adding a further layer of unnecessary SEC regulation does not make sense as these products are not securities.

Second, Fixed Indexed Annuities are not securities. It defies common sense that a product which has no market-related downside risk should be considered a security in the same manner as mutual funds or variable products where investors truly bear all market risk. The underlying contractual guarantees within Fixed Indexed Annuities have also been grossly overlooked in the proposed rule.

Third, some states — including Iowa — have taken a lead in requiring insurance agents to be trained on indexed products prior to selling. Through the State Insurance Department, all insurance agents wishing to sell indexed products in Iowa need to complete an 8-hour training course. We anticipate other states will follow Iowa's lead. Plus, most Registered Reps have received no training on indexed insurance products.

Last, there is at least one company — Indexed Products Specialists — that developed a comprehensive set of training courses that covers the inner workings and suitable application of indexed products. In conjunction with RegEd — a leader in Registered Rep online training — these courses are being approved by the states and will provide somewhere between 24 – 36 continuing education credit hours upon completion.

As a company that designs, develops, and distributes indexed insurance products, we feel it necessary for you to reconsider this proposed rule. A proposal of this magnitude, impacting thousands of insurance professionals, should not be adopted. Instead the oversight and regulation of these products should remain with the states as these are clearly insurance products — not securities. The industry needs more training and education, not more unnecessary regulation.

Sincerely,

Allie Miller
Chief Executive Officer

Jason Konopik
Chief Actuary

Joseph Zuccolotto
Chief Operating Officer

David Zuccolotto
Vice President International Marketing