

September 3, 2008

Ladies and Gentlemen:

I would ask that you remove the Rule 151A proposal as Indexed Annuities do not fall under the category of a security product. I am a licensed insurance agent and also licensed to offer mutual funds and other products with Series 6-63.

Over the years, I have sold Indexed Annuities in the past, but very few lately due to participation rates that were unfavorable to the client. I can understand your feeling that Indexed Annuities should be treated as security products, but they only **mirror** the performance of the S&P 500 or other indexes, and are not directly invested in those securities. Therefore, they are still an insurance product, similar to any other annuity. Since their payout method is more complex, there needs to be much more **education** for agents who offer them, and certainly a crack down on fraudulent sellers, as you have always done.

My suggestion is that you make "Education" not "Regulation" your priority where this product is concerned. I recently attended classes for CE Credits in which Indexed Annuities were discussed. None of the agents in attendance sold Indexed Annuities and it was a yawn-fest when we discussed them. I was the only agent who actively sold the product, mainly because agents didn't understand the potential value to the customer of performance that mirrors the S&P 500 index. There is probably a lack of understanding of this product moreso than misrepresentation of Indexed Annuities.

I would suggest requiring specific CE coursework for those Life Insurance Agents who wish to offer Indexed Annuities, rather than create a mountain of regulation and oversight that would resemble an elephant stepping on a gnat. We've seen it with Flood Insurance and Long Term Care Insurance, where agents must complete a training course by a certain date in order to be able to offer the product to their clients. That way, the complexities of an Indexed Annuity can be clearly explained to potential clients. SEC Regulation would be overkill and unnecessary.

Thank you for listening to my comments.

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