



Edward G. Rendell
Governor of Pennsylvania
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September 4, 2008

The Honorable Christopher Cox, Chairman
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

RE: Indexed Annuities and Certain Other Insurance Contracts, File No. S7-14-08

Dear Chairman Cox:

The nation's governors urge the U.S. Securities and Exchange Commission ("SEC") to extend for a reasonable period the 60-day comment period in the above-captioned matter. The complexities associated with this proposed rulemaking necessitate careful scrutiny by all interested states.

Proposed rule 151A under the Securities Act of 1933 ("Proposed Rule 151A") would reclassify equity-indexed annuities prospectively as securities, subjecting these products to dual regulation under federal securities law. It also would add an exemption from certain federal reporting requirements under the Securities Exchange Act of 1934 for insurance companies regarding indexed annuities and certain other securities registered under federal securities law and regulated as insurance under state law.

Governors strongly support efforts to protect consumers including seniors, which represent a significant share of purchasers of indexed annuities. States already regulate equity-indexed annuities as insurance products. According to the National Association of Insurance Commissioners, among other state laws and regulations, indexed annuities are subject to insurance laws that govern non-forfeiture, investment, capital adequacy, financial regulation, advertising, and guaranty funds. Governors continue to work with state insurance commissioners, state legislators, consumers, and industry to ensure an insurance regulatory system that is nimble and responsive to the consumer and producer needs of a modern, evolving marketplace. Governors, however, remain concerned by federal initiatives that could preempt state authority to regulate the business of insurance.

An extension of the public comment period for the SEC's Proposed Rule 151A would permit states, including the national organizations representing state regulatory officials, sufficient time to evaluate consumer and market conduct data, assess the underlying issues associated with this proposed rulemaking, and prepare comprehensive responses to the detailed questions therein.

Sincerely,

Governor Jon S. Corzine
Chair
Economic Development and Commerce Committee

Governor M. Michael Rounds
Vice Chair
Economic Development and Commerce Committee