

September 9, 2008

Propose rule 151A

My letter to the SEC is to oppose the recent ruling on 151A and believe this is more effective way to solve the problems concerning Indexed Annuities. Let me explain.

I have been a licensed insurance producer for 34-years and believe that Indexed Annuities have been a complement to the Securities industry. People who were afraid to put money into Mutual funds and stocks benefit from the sale of Indexed Annuities because they realize these plans were nothing more than an insurance product to protect their principal and still provide them a piece of the pie. If they now feel more comfortable about the stock market want a much larger piece of the pie, and can stomach the ups and downs of the market, Registered Representative can reap the benefits of better educated clients.

The SEC concern about agents selling Indexed Annuities as an investment is real. I am sure there is agents out there that attempt to show their products are something more than what it is or they misrepresent themselves as something there not (Dateline NBC). This is a compliance issue and only the states in which this unscrupulous activity occurred should have jurisdiction. The state insurance departments are closer to the problem and it can be resolved more quickly.

I see the real problem is that Americans have a problem distinguishing between what is risky and what is safe. The more education they know about their choices and how it pertains to their goals the more appropriate sales are made between Insurance, Securities or both.

This problem can be resolved in an equitable manner that can be acceptable by both the Insurance and the Securities industry.

Here is the proposed idea:

- Propose a Series 5 licensing procedure regulated by each state and call them Senior Specialists.
- Senior Specialist will represent only products that provide principal protection through insurance, annuities and Certificates of Deposits.
- Senior Specialist will be required to go through educational training to learn more about their products and to the extent of their limits of their products.

In conclusion, the SEC, Banks and the Insurance Industry provide information to the public about the differences between the licensing of these two financial professionals. This will help Americans to know which financial professional to seek out. If Americans only want products that provide a competitive rate and safety of principal they know by going to a senior specialist that is exactly what they will get. This will help reduce

unsuitable sales in both Indexed Annuities and Securities. If the investor wants a chance to earn the highest return without regard to risk they can seek out Registered Representatives. Since Registered Representatives have the same products as Senior Specialists they will have the competitive advantage.

I hope this information has been helpful to you in your desire to solve these problems.

Best regards,
Leon C Koistinen