

501 Darby Creek Rd. Suite 53
Lexington, KY 40509
(859) 619-3888
F: (859) 264-7381
Nick@RetireRx.com
<http://HFI.RetireRx.com>

November 12, 2008

Security & Exchange Commission

Dear Gentlemen:

I disagree with the need to enact your proposed rule 151A. Many securities lawyers find the SEC proposal to be confusing and completely unsupported by judicial precedents on what makes and "annuity" exempt from securities laws. Beyond that, it defies common sense that a product which has virtually no market-related downside risk should be considered a security in the same manner as mutual funds or variable products which the investor bears the risk for market losses. Many observers think the SEC's proposed regulation---if adopted--- is a slippery slope towards reclassifying many other annuity products as securities. This seems at odds with the Congressional intent.

Fixed Index Annuity (FIA) products are heavily regulated by state insurance departments. Through the National Association of Insurance Commissioners (NAIC), state regulators have worked hard over many years to come up with the appropriate suitability and disclosure requirements for FIA products. To the credit of state insurance regulators, this work continues today and should not be derailed by the SEC's unilateral action.

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 sales in all states. Suitability reviews required of brokers under FINRA rules would not add any meaningful protections over what is already being done.

The majority of my clients have personally called me to express their appreciation to providing them an alternative insurance product to help them plan for their retirement. They are excited that they have been saved by Zero (0) loss of their principle in comparison to the 30% to 40% loss they have experienced in their mutual funds, individual securities, ETFs or Variable Annuities since October 2007. And for those who elected a Guaranteed Lifetime Income Rider for their FIA, they realize the Guaranteed 5% to 8% Growth is an exceptional value in meeting their future retirement income strategies. They purchased these FIAs from me because they were looking for a secure, safe product to protect some or their hard-earned retirement savings and yet have the opportunity to enjoy the potential better than guaranteed fixed interest growth in up-side market years. According to most of my clients, *these insurance products were not presented to them by their current security-licensed financial advisors.*

Why should my livelihood and business as a licensed independent insurance agent be greatly impacted by a proposed rule 151A, when my current insurance FIA products and services is effectively providing "Peace of Mind" to a large consumer base? The majority of general consumers age 50 and older currently seeking retirement planning engage security-licensed financial planners/brokers that in most cases, according to my clients, are not providing information about the value of FIA and Guaranteed Lifetime Income Benefits. To provide consumers with more retirement planning choices, is it not better for Independent Insurance Agent to continue to compete, as is, with the security-licensed financial planner/broker.

Sincerely,

Nick Rauen

NCR/ncr

