

1. Proposed Rule 151A

My name is William Perry kennel, a Licensed Michigan Annuity agent for over 30 years! I vehemently oppose this pending ruling, and assure you I will sue if it passes. No organization in the USA has the right to make legislation that will prevent anybody's ability to earn a living that they have been involved in doing, WITH ABSOLUTELY NO COMPLAINTS EVER FILED AGAINST THEM IN OVER 3 DECADES.

I am the small business tax ombudsman for the State of Michigan, as appointed by the National Republican Party, and a lifetime Member of Whos Who in American Business.

Not one single client of mine, and there are hundreds over 30 years, as ever lost ONE RED PENNY in my investment activities on their behalf. Note One!

1. Here are several problems with the proposed ruling:
2. **The proposal is not supported by any empirical evidence that supports the Commission's claim that widespread abuses in selling the product exist.**
- 3.
4. The Commission cites its concern over improper sales practices as the primary basis for proposing Rule 151A. Yet, the

Commission provides no study, research findings or statistical information to demonstrate or suggest that the abuses are endemic or pervasive. 41 states have adopted the NAIC Suitability Model and the NAIC reports that .1% of all complaints filed with state insurance departments relate to fixed indexed annuities. Members of the fixed indexed annuity industry, insurance industry groups such as the ACLI, NAIFA, NAILBA and IMSA, and insurance regulators deplore fraudulent, misleading or abusive sales practices.

The Commission's action would restrict public access to an increasingly popular product.

Many independent insurance agents such as you have indicated that they would not make fixed indexed annuities available to their consumers if the annuities were registered as securities – particularly because many such independent insurance agents do not desire to become registered representatives associated with broker-dealers due to the cost and administrative burden relative to requirements that are inapplicable to the business of insurance. The result of agents deciding not to offer this valuable product would naturally limit public access to the product. Such a result is harmful to the public because it restricts the availability of a product which provides the opportunity for greater potential interest while also providing principal and minimum interest guarantees.

The appeal of indexed annuities is that they are not securities and not subject to risk of loss from market activity. Give examples of your customers purchasing fixed indexed annuities to protect their savings from market losses. **This is where 99.9% OF ALL CONSUMER COMPLAINTS COME FROM. Securities, not Annuities.**

Fixed indexed annuities are currently subject to comprehensive state insurance regulation.

Emphasize that you take your responsibility as a financial professional very seriously and not that your sales activities are subject to extensive state regulation

Yours Truly,

William P. Kennel