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ES126933

From: Voss, Susan [IID] [Susan.Voss@iid.iowa.gov]
Sent: Tuesday, November 18, 2008 9:43 AM
To: CHAIRMANOFFICE
Subject: Indexed annuities proposal
Importance: High

Dear Chairman Cox,

As the time period has closed for comments on your indexed annuities proposal, I would like to propose a Joint Agreement between the SEC and the NAIC regarding the regulation of fixed indexed annuities. We could agree this emerging market has had some sales practice issues. We could agree that there is a great deal of concern about suitability, disclosures and other matters. And while we may disagree about the nature of the product and where it should be regulated, we should take this opportunity to coordinate our efforts to provide for consistent regulatory responsibilities in the area of annuities.

Therefore, we would put in place a two-part agreement. One part would be an acceleration of NAIC efforts to strengthen the NAIC model laws affecting indexed annuity products and urge adoption by more of the member states. Part two would be that the SEC would endeavor to modify Rule 151 in order to create safe harbor standards specifically for indexed annuities. This would include clarification of the three part test. NAIC representatives could assist the SEC in drafting to ensure coordination between NAIC models, industry best practices and successful state initiatives.

We would agree to a 12-month work plan.

I would appreciate you sharing this with Susan Nash and other members of your staff. I believe we can work together in a cooperative manner and protect consumers throughout the country.

I have put a draft together of this agreement and would be happy to share it with you at your convenience.

Thank you,

Susan E. Voss
Commissioner

11/18/2008