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COMMITTEE ON SMALL BUSINESS  
(on leave of absence, 110th Congress)

# Congress of the United States House of Representatives

DENNIS MOORE  
Third District, Kansas  
<http://moore.house.gov>

October 15, 2008

THE HONORABLE CHRISTOPHER COX  
CHAIRMAN  
SECURITIES AND EXCHANGE COMMISSION  
100 F STREET, NE  
WASHINGTON, DC 20549

Dear Chairman Cox:

As a member of the United States House of Representatives I am writing to express my concern with the SEC's proposed rule relating to the classification and regulation of certain annuity contracts.

Proposed Rule 151A, which would reclassify state-regulated indexed annuities as securities, would have profound implications for the way indexed annuities are developed, marketed, and sold. While I am a strong supporter of SEC initiatives to improve protection of investors in the securities markets, I have concerns that the SEC's proposed rule would subject state-regulated insurance products to dual regulation by federal securities law, registration requirements, and oversight, adding significant new filing obligations and compliance costs. During this time of great difficulty in our nation's economy, it also seems that the SEC's highest priority should be addressing pertinent issues currently within its jurisdiction, such as oversight of the nation's financial and securities markets, particularly before there is a full understanding of the true implications or costs associated with an expansion of authority into new areas.

Furthermore, through the National Association of Insurance Commissioners (NAIC), state regulators have worked hard over the past several years to come up with appropriate annuity sales suitability and disclosure requirements, which have been adopted in a substantial number of states and complement existing life insurance and annuity advertising and replacement laws, agent licensing and education requirements, and insurer solvency laws. To date, 33 states have adopted the NAIC Model or related legislation on "Suitability in Annuity Transactions," and 22 states have adopted the NAIC Annuity Disclosure Model Regulations or related legislation. Most insurance companies follow this model as a standard throughout the country.

As you are well aware, concerns have also been raised by state insurance regulators, the National Governors Association, and virtually every association representing life insurers and agents, that there has not be sufficient time to vet the proposed rule. Therefore, it may be appropriate to provide Congress, states, and interested stakeholders with additional time to evaluate, comment, and offer possible alternative approaches to address any valid concerns.

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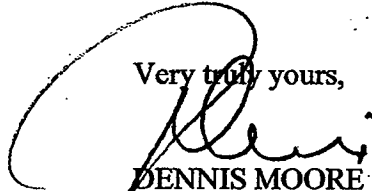
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The Honorable Christopher Cox  
October 15, 2008  
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Thank you for your consideration in this matter. I would encourage you to give the concerns raised in this letter serious consideration before taking further action on the proposed rule.

Very truly yours,

A handwritten signature in black ink, appearing to read "Dennis Moore", with a large, sweeping flourish at the beginning.

DENNIS MOORE  
Member of Congress

DM: acm