

August 1, 2008

SEC Chairman Christopher Cox
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: SEC Proposed Rule 151A, File Number S7-14-08

Dear Chairman Cox:

I am writing you in regards to the Securities and Exchange Commission's Proposal Rule 151A "Indexed Annuities and Certain other Insurance Contracts." This proposed rule is attempting to regulate Fixed Indexed annuities under the Securities Exchange Act of 1933 – deeming them as securities rather than insurance products. Please take this time to hear my concerns and I am asking you to do all you possibly can to stop this draft from becoming a law. I have outlined my concerns below.

❖ **Lack of Time**

The proposal was release on June 25, 2008 with a deadline of September 10, 2008 for comment. I do not feel that ample time has been allowed to evaluate, comment or perhaps offer an alternative. The SEC is attempting to push this proposal on the insurance industry with little warning, especially considering that these products have been on the market for over a decade and it has been a full decade since the SEC has raised any questions regarding these products. It appears that this proposal may be more political than for the benefit of the insurer and the consumer.

❖ **Fixed Indexed Annuities are Excellent Products**

FIA's are excellent products that give the consumer guarantees, flexibility and tax-deferrals along with many other advantages. I realize that FIA's are not a product for every individual and that proper suitability must be determined when purchasing these products. They do however, provide the consumer with a guaranteed protection and an opportunity for higher accumulation without ever risking the consumer' principal investment.

❖ **Draft Regulation Adds an Unnecessary Layer of Regulation**

Rule 151A will turn most FIA products into securities. This will subject FIA's to an unnecessary of layer of securities regulation. This will have a vast consequence by disrupting the manner in which these products are sold. It will

also cause confusion over the difference between insurance and securities, ultimately providing the consumer with little protection at a tremendous cost to companies, agents and ultimately the consumer.

❖ **FIA Products are Already Regulated**

FIA products are heavily regulated by state insurance departments. Through the NAIC, state regulators have worked hard to provide appropriate suitability and disclosure requirements for these products. State Insurance regulators are continuously working in these areas and should not be waylaid by the SEC's action.

❖ **Recent Stock Market Downtown**

The recent downturn in the stock market showcases how valuable FIA's are. Millions of Americans have suffered financial losses as a result of the plunge in the stock market; however FIA consumers are safe in their investment without the loss of even a penny in the retirement savings. FIA consumers have peace of mind in knowing that the downturn in the stock market does not adversely affect their retirement investments.

This is a highly relevant matter and affects a large portion of our consumers. I would certainly appreciate you and your offices contacting the SEC Commissioners and the Senate Banking/House Financial Services Committees to express my concerns. I hope you will send a clear message that this proposal will not be adopted until adequate time has been afforded to fully assess the impact this proposal will have on the insurance industry and ultimately the consumer.

Thank you for your assistance.

Sincerely,

Goldie A. Hester