August 26, 2008

SEC,

I am asking for an extended review period for SEC proposal 151A.

I own an annuity amrekting organization and employ about 200 agents agents nationwide. Our agents derive thier living mostly from the sale of indexed annuities. Very few of those working with me have a securities designation.
Given our 30 million of annual indexed annuity sales, we are able to support several layers of employment from our field reps, to their employees, to all vendors that work with our field reps. Very few if any of my field reps would be willing or able to secure a secuities license in spite of their over 25 years of experience selling annuities. If your proposal goes forth, the economy would suffer as our entire infrastruture would likely dissolve financially affecting 100s of those involved in selling annuities or supporting the sale of annuities.

And I am the tip of the iceberg.

Your proposal would affect millions of livelyhoods and it is for this reason that I ask for an exension of your review period.

First, our industry needs to time repond in an approriate manner. We need time to gather information from all those sources affected by your proposal.

Second, it seems to me that a prior decision was made on the definition of a security and that your proposal does not match the current court ruled definition. Although the crediting rate on indexed annuities may vary (similar to fixed annuities) the principal is not at risk (assuming the company remains solvent) and that the annuity is held for the duration of the surrender period.

Third, fixed annuities has filled a niche that is obviously appealing to the senior market. Given the rise in sales the niche is strong and growing.
Seniors need an alternative to CDs and the benefits of indexed annuities provide another option. Although there have been a few complaints, it is relatively insignificant.

Fourth, there is already a regulatory body in place that oversees the distribution of annuities that being the department of insurance. Why are they not able/capable of patroling their own waters? It seems to me that if changes are needed they could enforce these changes without the mutliple layers of regulation the SEC would demand.

Finally, these products have become popular because prospects are fleeing from risk vehichles that are offered by SEC representatives. Ironically, the SEC representatives are capable of duplicating the benefits of an indexed annuity via various security vehicles. Why have they never done so?

Please extend the SEC propsoed rule 151A deadline so that an appropriate response can be generated.

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