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Governor

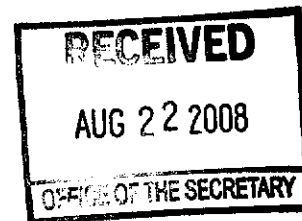
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936  
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August 18, 2008

The Honorable Christopher Cox, Chairman  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

RE: File Number S7-14-08  
Proposed Rules 151A and 12h-7

Dear Chairman Cox:

I write as the Maryland Insurance Commissioner to join the other requests you have received seeking an extension of at least 90 days beyond September 10, 2008, the comment period on proposed Rules 151A and 12h-7. I specifically wish to be associated with the request you have received dated August 14, 2008, from the officers of the National Association of Insurance Commissioners ("NAIC").

The comment period should be extended to allow interested parties minimally adequate time to comment on these *unanticipated and far-reaching* rules. This is plainly not a situation where a short comment period is justified by an emergency. After years of inaction on the subject of the proposed rules, the Commission issued the proposed rules accompanied by a 92 page explanatory release. That lengthy release makes no claim of emergency. Unnecessarily truncating the comment period will dilute the quality of the comments and, ultimately, undermine the effectiveness of the regulatory process.

The rationale suggested in the release for the proposed rules is a perceived gap in the present regulatory structure. As the lead insurance regulator in a state which regulates the products reached by the proposed rules, I dispute the validity of the Commission's factual premise. In any event, before the Commission determines that there is, in fact, a need for these proposed rules, the Commission should become educated fully on states' regulatory activities. The short comment period the Commission has allowed, in mid-summer no less, does not allow states adequate time to present their views, including detailed descriptions of their respective regulatory authorities and enforcement activities. Without this information, the Commission cannot make an informed judgment on whether to proceed with the proposed rules.

If adequate time is allowed, no doubt many interested parties will submit thoughtful comments addressing particular aspects and potential impacts of the proposed rules. Without minimizing the importance of such comments, I stress that the comments that the Commission can expect to receive from state insurance regulators and their affiliated organization, NAIC, will address the fundamental question of whether this is a regulatory endeavor that the Commission should pursue. The Commission should be open to and should seek wide input on this question. To obtain that input, the Commission should allow all interested parties, including state regulators, sufficient time to prepare and submit comments.

Significantly, the release that accompanies the proposed rules states under the heading "general request for comment" that the Commission is interested in hearing "whether any further changes to [its] rules are necessary or appropriate to implement the objective of [the] proposed rules." *See* release at 60. This is the core question to which comments from state insurance regulators will be directed. Again, though, the rapidly approaching September 10 deadline does not allow sufficient time to prepare the type of analysis and comments that the Commission has recognized it should receive.

For the reasons stated above and for those set forth in other submissions seeking an extension of the comment period, I request respectfully that the Commission extend the comment period for at least 90 days beyond the current September 10, 2008, deadline. Thank you for your consideration.

Sincerely,



Ralph S. Tyler  
Commissioner

RST/mmh

cc: Secretary, Securities and Exchange Commission