



DEPARTMENT OF INSURANCE  
STATE OF NORTH DAKOTA

Adam W. Hamm  
Commissioner of Insurance



August 19, 2008

Florence E. Harmon  
Acting Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

RE: Request to Extend Time for Comments  
Regarding Release Nos. 33-8933 & 34-58022 (File No. S7-14-08)  
Proposed Rule 151 A

Dear Ms. Harmon:

As a follow up to the letter to Chairman Christopher Cox from the officers of the National Association of Insurance Commissioner (NAIC) dated August 14, 2008, and on behalf of the North Dakota Insurance Department, I respectfully request the Securities and Exchange Commission (SEC) extend the time period for filing comments regarding Release Nos. 33-8933 and 34-58022 (File No. S7-14-08) by one hundred and twenty days, through and including January 8, 2009.

The additional time is necessary for the various states to formulate their response and to process the implications of File No S7-14-08, which removes from the states their authority to aggressively continue the enforcement of suitability requirements in the sale of indexed annuities. The NAIC will be holding its Fall National meeting on September 22-24, and the members plan to discuss this proposed rule. Allowing additional time will give members time to submit written comments and other helpful information.

This file would reverse the successes that several states have achieved by pooling their resources and clout to bring timely recourse to consumers. For example, in May 2007, NASD and state regulators from North Dakota, Iowa and Minnesota announced a joint statement supporting a new rule to require that insurance companies and agencies recommend only suitable annuity products to their customers. All four are members of the Annuity Working Group, which was established by the North Dakota Insurance Department and NASD in 2006 to evaluate regulatory standards for annuities in a number of areas, including suitability. Formation of the working group followed an Annuity Roundtable sponsored by the two regulatory bodies, to open a cross-jurisdictional dialogue on the regulatory framework under which annuities are marketed and sold.

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Moreover, states hope to have the opportunity to communicate further with the SEC regarding the bases and implications of the proposed rule, and the rationale of the proposed rule, in order to provide an informative comment that will assist the SEC in this very important decision. More important this rule would withdraw the authority for states to individually and jointly pool considerable resources to aggressively pursue the interest of the consumer in the purchase of annuities.

Fundamentally, the period for states to submit their comments is very short. The Commission announced Proposed Rule 151A on June 25, 2008. The comment period is currently scheduled to close on September 10, 2008. It is unclear why the proposed rule should be rushed through the notice and approval process.

State regulators need a reasonable time period to analyze proposed rule 151A implication to state regulation already in place, while avoiding unintended consequences. There is no apparent need for haste and great risk if the proposed rule is adopted over the concerns of state regulators. In the meantime, indexed annuities continue to be regulated by the states.

With so many open issues to be addressed, and so much at stake for consumers, state regulators, and the insurance industry, the North Dakota Insurance Department respectfully requests that the Commission extend the comment period through and including January, 8, 2009.

If you have any questions or wish to discuss this matter, please contact me.

Sincerely,



Adam Hamm  
North Dakota Insurance Commissioner