

Andrea D. Calhoun
Steven J. Calhoun



December 29, 2016

BY HAND

Brent J. Fields
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

SEC
Mail Processing
Section
DEC 30 2016
Washington DC
410

1:15

Re: SEC File Nos. 812-14446 & 812-14447

Dear Mr. Fields:

We are two of many investors who own variable annuity contracts issued by Hartford Life Insurance Company. We are writing to oppose the applications filed by Hartford Life Insurance Company, et al. (collectively, "Applicants"), on April 21, 2015 and amended on May 25, 2016 and August 31, 2016, SEC file nos. 812-14446 and 812-14447. As contract holders, we hereby request a hearing on the Applications.

REASONS FOR THE HEARING REQUEST

First, we are making this request because we're very confident that very few contract holders (or members of the public including the media) are aware of what you are intending to allow Hartford to do. Hartford has not disclosed this scheme in any direct communication with us and instead has utilized an obscure filing process with the SEC as it seeks to deprive its contract holders of the benefits of the contracts they purchased.

Second, we like our variable annuity investments as they are AND we should be allowed to keep them. Why is the Government messing with our retirement planning? Why is the SEC proposing to allow the Hartford to change the investment lineup without giving individual contract holders like us a say in the process?!

Third, we want to know how the core mission of the SEC to “Protect Investors” is fulfilled by giving Hartford permission to change the investment lineup, an action that will clearly hurt us and many other contract holders.

Fourth, we understand that Hartford is seeking to get rid of its variable annuity business, a fact Hartford has made clear in numerous public statements including:

- In 2012, then Hartford CEO Liam McGee stated, *“We continue to aggressively examine other options to accelerate the runoff of the U.S. and international annuities”*
- In 2015, Hartford Chairman, President and CEO Christopher Swift bragged: *“We continue to successfully manage the runoff of Talcott with year-over-year declines in variable and fixed annuity contract accounts of 12% and 11%.”*
- In 2015, Beth Bombara, the CFO for variable annuities stated that *“we will continue to look at contract holder initiatives and other programs that can help accelerate the decline in these books of business.”*

Why is the SEC helping Hartford to achieve this goal at the expense of investors?

Fifth, we understand Hartford seeks to replace the independent actively-managed funds we purchased with the advice of our financial advisor, with brand new index-based funds managed by an affiliate (HIMCO) of Hartford Life. As a result, Hartford will receive new fund management fees. Our question is what do we get? Nothing! We don’t see how this protects investors. Instead, this looks like a “bait-and-switch” by Hartford Life: they sold contracts to investors promising actively-managed funds, and after a few years they decided to substitute their own funds because they were not making enough money from the contracts. Allowing Hartford to substitute its own funds for the funds we chose is not consistent with investor protection.

Sixth, Hartford in 2013 made “optional” SEC approved offers to contract holders to surrender their contracts – those optional offers included an additional cash payment as an inducement. Obviously, the existing contract holders rejected those offers and elected to keep their valuable contracts. Why is the SEC allowing Hartford to mandate these brand new index-based funds and why is this not optional?

Seventh, we worked with our financial advisor to choose actively-managed mutual funds that offered returns potentially higher than index-based funds. This annuity is a significant part of our investment portfolio – something our financial advisor had helped us build for our retirement. If Hartford unilaterally, with the help of the SEC, slashes the usefulness of our annuity then our financial advisor will have to overhaul our portfolio and we doubt we can find something comparable.

We request a hearing on these applications to determine whether the SEC staff has properly assessed the effect of the fund substitutions on our guarantee and the merits of the proposed substitution

of each of the funds underlying the contracts in question. Our contract is more valuable if the current funds perform well. But if they perform poorly, the guarantee is there to ensure our income level. The guarantee we and others purchased was priced based on using actively-managed funds from the leading active fund managers in the industry. In fact, our contract is called "Leaders." If these funds are replaced with index-based funds, then contract holders, including us, will have overpaid for these guarantees. If these substitutions are allowed, either we must accept funds we did not and would not today choose, and bear the financial loss in the value of our guarantee, or else we will have to surrender our contract and our financial advisor will have to try to find another variable insurance contract that offers actively-managed funds and a similar guarantee. We believe that if a hearing was held on these applications, the SEC staff would have to explain how they decided that harming contract holder guarantees was "necessary and appropriate in the public interest."

The bottom line here is: why is the SEC staff proposing to let Hartford take away our investments that we carefully chose with our adviser without giving us a say?! This isn't right!

We are entitled to request a hearing on these applications because we own a variable contract issued by Hartford Life. As stated above, we, and many other contract holders, will be directly and materially harmed if the substitutions are allowed. A hearing should be held so that the SEC staff can more thoroughly evaluate the concerns expressed in this letter.

Please find enclosed proof of service upon the Applicants in the form of an affidavit.

Very truly yours,

The image shows two handwritten signatures in black ink. The signature on the left is for Andrea D. Calhoun, and the signature on the right is for Steven J. Calhoun. Both signatures are written in a cursive, flowing style.

Andrea D. Calhoun and Steven J. Calhoun
Contract holders, Hartford Leaders Edge

cc: The Honorable Mary Jo White
The Honorable Michael S. Piwowar
The Honorable Kara M. Stein
David W. Grim, Director, Division of Investment Management