

To Whom It May Concern:

I am a licensed Life Insurance agent living in Grimes, Iowa with 22 years of experience in the industry. I work with Producers all over the country who are offering "Fixed Index Annuities" which use stock market indexes as a measuring stick yet they aren't actually invested in the Stock Market. As a result of this design, clients have no risk which is why I love doing what I do - You see, back in 2005 when I had left the company that I worked for to go out and start my own Financial Services company, I had all of my retirement savings in the stock market at risk. I had no other choice for my 401K monies at the time - I lost 23% of what I had saved. Now I have those monies in an Annuity. You have done a great disservice to American workers like myself and now you want to extend your authority on to a non-securities Insurance Product written by Insurance Companies with guarantees and backed up by the general assets of the company - I object strongly to your intentions.

Fixed Index Annuities are not securities and are not "investments" where the SEC has legislative authority - they are a "savings" vehicle as well as a distribution vehicle for people's rest of their life money. Furthermore, Fixed Index Annuities have been held in the courts not to be securities. Having the SEC in control of Fixed Index Annuities is like having a fox in the hen house - you have a means to destroy them at the direction of your enforcement agency - FINRA and suspect you will. In addition, communications coming out of FINRA demonstrates their lack of understanding of what is a Fixed Index Annuity - I am shocked to read their inaccurate communications as they have not a clue on how they actually work. It truly is not the product but how they are being sold is your bottom line issue - the states have responsibility and control of the licensed Producer selling these insurance products through the various State Insurance Departments.

Every two years, I must take special continuing education just for fixed annuities. The insurers have continued to fine tune their model to make its marketing more refined and informative to buyers. All the states I am licensed in have increased their oversight significantly and suitability is a major focus.

You have proposed to regulate these policies as if these annuities were securities with an "investment" loss possible. If this rule passes, I will need to:

- Share my commission income with a broker dealer (and thus the SEC) who will do nothing to help me produce sales—thus my income will go down and my administrative regulatory requirements will go up.
- Pay additional fees for SEC licensing

All of the above will involve additional regulatory investment of time for me to regulate a product that already protects the client from losing money every year. *This redundancy makes no sense to me.* The public is already adequately protected. The only real beneficiary would seem to be the Broker Dealers whose revenue will increase at the expense of independent Producers.

Carl Davis
CK Davis Financial