



KANSAS

OFFICE OF THE SECURITIES COMMISSIONER

KATHLEEN SEBELIUS, GOVERNOR
CHRIS BIGGS, COMMISSIONER

September 10, 2008

Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number S7-14-08

Dear Sir:

The Office of the Kansas Securities Commissioner strongly supports the U.S. Securities and Exchange Commission's Rule Proposal 151A related to the classification of equity indexed annuities (EIAs).

These complex investment products have been the medium through which Kansas investors have been defrauded and abused for years. Our senior citizens are particularly affected by the sales of EIAs. The proposed rule will go a long way toward addressing these abuses. We commend the SEC and Chairman Cox for taking this important step and we urge the SEC to adopt the proposed rule as expeditiously as possible so that the investing public can benefit from the protections it will provide.

EIAs are complex investments having features that contribute to their complexity such as minimum guarantees and fees and expenses. These fees and expenses include surrender charges, premium bonuses and multiple premium payment arrangements. Of particular concern are the marketing methods employed by sellers of EIAs. We have seen sales materials for EIAs that do not fully describe the features and risks of the product and we are concerned that the unsupervised use of such sales materials misleads and confuses investors.

By applying the federal securities laws to EIAs, licensing standards under the securities laws will help ensure that agents have the requisite knowledge and character to sell complex investment products and that agents are subject to appropriate supervision. The strong antifraud provisions and suitability standards that have been a part of securities regulation for decades will deter abuses in the sale of EIAs and provide improved remedies for those who have already been victimized.

We appreciate the opportunity to comment on this important rule proposal. We applaud the SEC for taking this step, and, for the sake of all investors, we urge that the rule be adopted.

Sincerely



Chris Biggs
Kansas Securities Commissioner