

JAMES SOLIDUM, Agent



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TO: SEC Headquarters
100 F Street, NE
Washington, DC 20549

RE: File Number S7-14-08



The INDEXED ANNUITY is a FIXED ANNUITY like a TRADITIONAL ANNUITY that guarantees a minimum interest rate:

- 1 Provides opportunities to earn interest in excess of the stated guarantee
- 2 **Guarantees protection of my policyholders retirement dollars—dollars not vulnerable to losses of market risks of stocks and bonds**

Design and sale of Indexed Annuities and Traditional Annuities are highly regulated by our Hawaii Insurance Regulatory Department requiring (among other things):

- 1 Suitability of insurance agents recommendations regarding annuities
- 2 Annuity disclosures, advertising
- 3 Agent Licensing and training
- 4 Education of unfair trade practices and misrepresentation of product terms and conditions
- 5 Awareness of enforcement actions against unfair practices and non-compliance
- 6 Enforcement of guaranteed values for annuities as regulated by the Standard Nonforfeiture Law applied to all fixed annuities

The guarantee provided by an Indexed Annuity offers my policyholders significant protection against investment risks:

The DJIA has suffered a decline this year in excess of 20% from its October 2007 record, yet my policyholders with Indexed Annuities will not lose their initial deposits and interest already earned in previous years – unlike consumers with equity products, stocks, mutual funds or a variable annuity

THE SECURITIES REGULATION WILL ADD LITTLE BENEFIT TO CONSUMER PROTECTION BECAUSE:

- 1 Many states have already adopted the NAIC Annuity Disclosure Model Regulation
- 2 Most, if not all, of major annuity carriers have mandated use of a disclosure statement or certificate describing important terms and conditions of the annuity contract
- 3 Many, if not all, annuity carriers conduct suitability reviews of all sales in states

Suitability review required of Brokers under FINRA rules would not add any meaningful protections over and above what is already being done by the Hawaii Insurance Regulatory Dept and Annuity companies.

Sincerely Submitted,

James Solidum
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