

CHARLIE WILSON
6TH DISTRICT, OHIO

FINANCIAL SERVICES

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS
& CONSUMER CREDIT

SUBCOMMITTEE ON HOUSING
& COMMUNITY OPPORTUNITY

SUBCOMMITTEE ON DOMESTIC
& INTERNATIONAL MONETARY POLICY,
TRADE & TECHNOLOGY



Congress of the United States
House of Representatives
Washington, D.C. 20515-3506
September 8, 2008

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Christopher Cox
Chairman
United States Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman Cox:

As a member of the House Financial Services Committee, I thank you for the opportunity to comment on the SEC's proposed rule to treat indexed annuities as securities and not as insurance products. As I traveled throughout my district this August, I heard about this proposed rule more than once—and not in a positive light.

On July 1, 2008, the SEC published for comment a proposed a new rule to reclassify, prospectively, state-regulated insurance products called indexed annuities, as securities (Proposed Rule 151A). These products are currently used by millions of Americans to help achieve their savings goals. Like other fixed annuities, indexed annuities guarantee purchasers' principal and a minimum rate of interest. They also provide the opportunity to earn additional interest based on the performance of a given financial market index, such as the S&P 500, subject to certain limitations.

Proposed Rule 151A would have severe implications for the way these products are developed, marketed and sold in my state. It would subject already state-regulated insurance products to dual regulation by federal securities law, registration requirements, and oversight. This would add filing obligations and compliance costs. It would also require such products to be distributed exclusively by registered representatives of SEC-licensed broker-dealers. I believe this might cause insurance companies not to offer indexed annuities as an option to consumers; and I believe this would be a terrible disservice to my constituents.

While I support initiatives by the SEC to better protect investors, I am concerned that the current September 10 deadline is far too short a period for all parties to thoughtfully consider a proposal of such magnitude. I urge the SEC to extend the comment period to at least ninety (90) days in order for all stakeholders to be able to comment. If you have any questions, please do not hesitate to contact Joan Gregory on my staff at 202-225-5705.

Sincerely,

Charlie Wilson
Member of Congress

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