United States Senate
CHARLES E. GRASSLEY
WASHINGTON, DC 20510-1501

September 10, 2008

The Honorable Christopher Cox
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-2736

Dear Chairman Cox:

On June 25, 2008, the Securities and Exchange Commission (SEC) published proposed rule 151A, which would clarify the status under the federal securities laws of indexed annuities, under which payments to the purchaser are dependent on the performance of a securities index.

It has come to my attention that there is great uncertainty and concern over the impact the proposed SEC rule would have on indexed annuities and the insurance industry as a whole. I respect and appreciate the SEC's mission of protecting the ordinary investor. I also understand that there have been questionable marketing and sales practices associated with promoting indexed annuities, especially to seniors.

With regard to state insurance regulation, it is my understanding that a majority of states have strengthened their suitability and disclosure regulations of insurance products, including indexed annuities, in an attempt to stamp-out abusive behavior. These states have also established "guarantee funds," and currently require enhanced training for agents selling annuity products. For instance, my home state of Iowa has gone to great lengths to bolster consumer protections and increase oversight of the sale of annuity contracts, with a particular focus on the sale of indexed annuities.

So as you can see, greater dialogue between securities regulators and the insurance industry appears to be in order before rule 151A is finalized. In consideration of the foregoing, I respectfully request that the SEC extend the comment period on proposed rule 151A for a reasonable period of time.

Thank you for your prompt attention and cooperation on this matter.

Sincerely,

Chuck Grassley
Charles E. Grassley
United States Senator