



STATE OF IOWA

CHESTER J. CULVER
GOVERNOR

PATTY JUDGE
LT. GOVERNOR

SUSAN E. VOSS
COMMISSIONER OF INSURANCE

November 17, 2008

Christopher Cox

Chairman

U.S. Securities and Exchange Commission

100 F. Street NE

Washington D.C. 20549-1090

File Number: S7-14-08

Dear Chairman Cox:

The Iowa Insurance Division submits these comments on proposed SEC Rule 151A as a supplement to its previously submitted comments dated September 10, 2008.

Since the September 10th comments, I have met with Chairman Mary Shapiro of FINRA to discuss areas where FINRA and the state insurance regulators can work together to better protect the consumer regardless of whether a product is a security or an insurance product. The areas in which we are working together are:

Making the CRD data base more available to insurance regulators to cross check applicants for insurance licenses.

Sharing more educational efforts between security and insurance regulators as we did at the training session held in DC in September where representatives of insurance, FINRA, NASAA and the SEC shared information about examinations and enforcement matters.

Planning joint webcasts relating to fraud, scams, etc. and sharing more resources in this area.

The NAIC has also done much since the previous comments. The Life and Annuity Committee (referred to as the "A Committee") has 3 groups that are working on consumer protection issues. The Suitability Working Group will be discussing strengthening the NAIC Suitability in Annuity Transactions Model Regulation by adding requirements concerning producer training requirements, by adding a mechanism for faster issuance of guidelines to regulators, producers and companies relating to suitability, and by adding stronger requirements for the supervision of a sales transaction beyond the producer. The Disclosure Working Group has already discussed and indicated a willingness to expand the scope of the Annuity Disclosure Model Regulation to include all annuities and not just individual fixed annuities, and will, in December, be discussing the use of annuity illustrations and the need for regulations to ensure consumers receive the correct information. The Annuity Buyer's Guide Subgroup will present to the A Committee, in December, a revised Annuity Buyers Guide which will update the material to the current market and in a format that will be based on the investment risk of the consumer developed in the suitability review. The format is one that can be readily adapted to be used as a paper guide or as an electronic guide in conjunction with the efforts of the ACLI and NAVA to develop an electronic straight through suitability process.

I again want to emphasize that limiting the distribution to broker-dealers, as Rule 151A would do, would remove the availability of the product from many consumers, especially in a rural state such as Iowa. It would also take a product from a large number of producers, most of who can be considered as small business owners, at a time when small businesses should be helped not hindered in the current economy.

I once again request that you remove proposed Rule 151A from consideration or, at a minimum, place the consideration of the rule in abeyance for a period of 2 years while the state insurance regulators refine and implement the necessary regulations to protect the consumers, not only in the indexed annuity area, but all fixed annuity areas. The efforts by the NAIC, Iowa and other states have been fast, well thought out efforts and are being implemented in the marketplace quickly.

Sincerely,

A handwritten signature in black ink that reads "Susan E. Voss". The signature is written in a cursive, flowing style.

Susan E Voss

Iowa Insurance Commissioner