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CONGRESSMAN RAY LAHOOD  
18TH DISTRICT, ILLINOIS

September 29, 2008

ES 126387  
RECEIVED  
2008 OCT -8 PM 2:21  
CHAIRMAN'S  
CORRESPONDENCE UNIT

The Honorable Christopher Cox, Chairman  
Securities and Exchange Commission  
100 F St, NE  
Washington, DC 20549

Dear Chris:

I am writing to share with you a number of concerns my constituents have regarding the Securities and Exchange Commissions (SEC) Proposed Rule 151A on Indexed Annuities. They are all concerned that, if implemented, this rule would adversely affect their livelihood as state insurance agents.

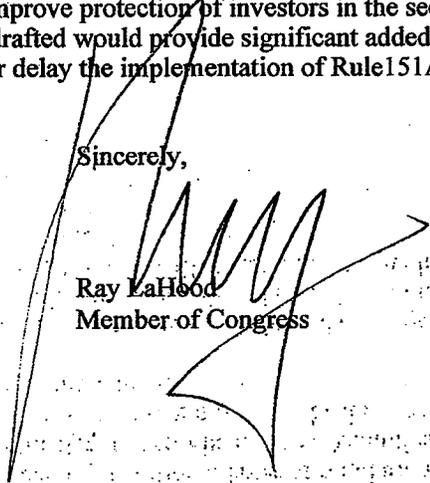
Rule 151A seeks to require that all Fixed Index Annuities become registered products with the SEC, sold only through a broker-dealer and not buy insurance agents.

Currently, Fixed Index Annuities are heavily regulated by state insurance departments. My fear is that this proposed rule would turn Fixed Indexed Annuities, traditionally state-regulated insurance products, into securities and thereby subject them to an unnecessary additional layer of regulation. This would permit only individuals registered with the SEC as broker-dealers to sell Fixed Index Annuities, shutting out thousands of state-licensed insurance agents, potentially ruining many small businesses that specialize in these products and rely on independent agents to distribute them.

I am also concerned that the SEC gave no warning before proposing this change to the market, giving little more than 2 months for the thousands of individuals affected to make comments before having their lives drastically changed. More time should be afforded to all stakeholders to evaluate, comment, and possibly offer alternative approaches to address this issue.

While I support the SEC's initiatives to improve protection of investors in the securities markets, I am concerned that the current SEC proposal, as drafted would provide significant added protections to investors. I urge you to either withdraw or further delay the implementation of Rule 151A until these concerns have been fully addressed.

Sincerely,

  
Ray LaHood  
Member of Congress

126387

RHL/mjr

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