



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
INVESTMENT MANAGEMENT

September 28, 2018

VIA ELECTRONIC MAIL

RESPONSE OF CHIEF ACCOUNTANT'S OFFICE
DIVISION OF INVESTMENT MANAGEMENT

Stephen E. Roth
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Re: Great-West Life & Annuity Insurance Company and Great-West Life & Annuity Insurance Company of New York

By letter dated September 28, 2018, you request authority under Regulation S-X §3-13 ("Rule 3-13") for each of Great-West Life & Annuity Insurance Company ("GWLA") and Great-West Life & Annuity Insurance Company of New York ("GWLANY, together with GWLA, the "Companies" and each, a "Company") to file its audited financial statements prepared in accordance with statutory accounting principles¹ ("SAP"), in place of financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), in registration statements submitted under the Securities Act of 1933 ("Securities Act") on Form S-1 for certain insurance contracts more particularly described below (the "Contracts"), in satisfaction of the requirements of Items 11(e), 11(f) and 11(g) and Item 16(b) of Form S-1, as described in your letter.

Background

The Companies

You state that GWLA is a Colorado-domiciled insurance company and that GWLANY is a New York-domiciled stock life insurance wholly owned subsidiary of GWLA. You also state that both Companies are wholly-owned subsidiaries of Great-West Lifeco, Inc. ("GW Lifeco"), a non-US holding company publicly traded in Canada that prepares its consolidated financial statements in accordance with international financial reporting standards ("IFRS"). You further state that, because the Companies are wholly-owned subsidiaries of GW Lifeco, they prepare and maintain financial statements and records on an IFRS basis of accounting.

You note that GWLA prepares GAAP financial statements solely for the purpose of including them in reports required by the Securities Exchange Act of 1934 ("Exchange Act") that

¹ You note that these principles are those that are prescribed or permitted by each Company's domiciliary state regulator.

are incorporated by reference into registration statements for the Contracts and for other insurance contracts registered under the Securities Act.² You also note that, while GWLA currently files reports under Section 15(d) of the Exchange Act, it is eligible for the exemption from such filing requirement provided by Rule 12h-7 under the Exchange Act and will rely on the relief provided by the rule.³

You state that GWLANY also prepares GAAP financial statements but, as a wholly owned subsidiary of GWLA, does so solely for consolidation with GWLA. You also state that GWLANY is eligible for the exemption from the filing requirements imposed under Section 15(d) of the Exchange Act provided by Rule 12h-7 and will rely on the relief provided by the rule.

You note that, as required by Rule 12h-7, both Companies are subject to supervision by the insurance regulator in their domiciliary state. You also note that GWLA and GWLANY each file a statement of their annual condition with, are supervised by and have their financial condition periodically examined by the Colorado Department of Insurance and the Department of Financial Services of the State of New York, respectively.⁴ In addition, you state that each Company files audited SAP financial statements, with its domiciliary state regulator and the National Association of Insurance Commissioners.⁵

Contracts

You state that the Contracts for which you request permission to file SAP financial statements are indexed linked annuity contracts. You state that owners of the Index-linked Contracts may select among interest crediting options linked to the performance of securities indices and among several different protection features. You also state these protection features may include floors that establish the maximum negative market performance to which the contract owner will be exposed or buffers that establish how much negative market performance the issuing Company will absorb before the negative performance is applied to the Contract over the course of a stated term. In addition you state that each protection feature option has a

² You note that the Commission granted permission to GWLA in November of 2016 to file SAP financial statements in lieu of GAAP financial statements for these other contracts, which provide certain guaranteed lifetime benefits. *Great West Life and Annuity Company* (pub. avail. November 16, 2016).

³ Rule 12h-7 exempts insurance companies from filing Exchange Act reports with respect to certain specified types of securities that are subject to state insurance regulation and are registered under the Exchange Act if certain other conditions are satisfied. 17 C.F.R. §240.12h-7 (2018).

⁴ Rule 12h-7(a) and (c) specify that an issuer qualifying under that rule is a corporation subject to the supervision of the insurance commissioner, bank commissioner, or any agency or officer performing like functions, of any State (as defined in the Securities Exchange Act); and files an annual statement of its financial condition with, and is supervised and its financial condition examined periodically by, the insurance commissioner, bank commissioner, or any agency or officer performing like functions, of the issuer's domiciliary State (as defined in that Act). *Id.*

⁵ You state that financial statements filed in registration statements for the Contracts will be audited by an auditor that will satisfy the independence standards in Regulation S-X, Article 2, and that the auditor will be registered with and subject to inspection by the Public Company Accounting Oversight Board.

corresponding cap that establishes the maximum positive market performance that may be credited to the Contract at the end of the stated term.

In addition, you state that the Contracts that GWLA issues, and that GWLANY proposes to issue, are not and will not constitute equity interests in the issuing Company and that the Contracts are subject to regulation under Colorado or New York insurance laws, as applicable. In addition, you state in this regard that the Contracts are not and will not be not listed, traded or quoted on an exchange, alternative trading system, inter-dealer quotation system, electronic communications network or any other similar system, network, or publication for trading or quoting.⁶

Discussion

You note that Rule 3-13 provides that the Commission “may, upon the informal written request of the registrant, and where consistent with the protection of investors, permit the omission of one or more of the financial statements required by Regulation S-X or the filing in substitution thereof of appropriate statements of comparable character.” You assert that SAP financial statements audited by an independent auditor are appropriate statements of a comparable character for the Form S-1 registration statements for the Contracts.

In support of this claim, you assert that, similar to investors in variable annuity contracts whose insurance benefits offered by the insurer depend on the insurer’s solvency, investors in the Contracts will be most interested in information relevant to assessing the Company’s ability to fulfill its contractual obligations.⁷ You assert that SAP financial statements will provide investors in the Contracts with sufficient information to assess the Company’s solvency and its ability to fulfill its contractual obligations.⁸

In this regard, you claim that SAP financial statements contain detailed information about an insurance company’s balance sheet as well as its regulatory capital and surplus, which serve as financial cushions for paying policyholder claims. In addition, you assert that SAP financial

⁶ Rule 12h-7(b) specifies that the securities that would otherwise trigger Exchange Act reporting obligations must not constitute an equity interest in the issuer, and must either be securities subject to regulation under the insurance laws of the domiciliary State of the issuer or guarantees of securities that are subject to regulation under the insurance laws of that jurisdiction. *Id.* Rule 12h-7(d) further requires that those securities must not be listed, traded, or quoted on an exchange, alternative trading system, inter-dealer quotation system, electronic communications network, or any other similar system, network, or publication for trading or quoting. *Id.*

⁷ You note that the Commission had recognized, in proposing variable annuity registration forms, that investors in those products may only be interested in the solvency of the account depositor with respect to the insurance benefits offered in those products by the depositor. *Registration Form for Insurance Company Separate Accounts that Offer Variable Annuity Contracts*, Securities Act Release No. 33-6502 and Investment Company Act Release No. 13689 (December 22, 1983).

⁸ You also note that, while the use of GAAP assists investors in understanding an issuer’s going concern value, investors in the Contracts do not need information regarding the Company’s going concern value since there is no secondary market in the Contracts.

statements enable regulators to determine the Company's ability to meet obligations to owners of the Contracts based on the availability of readily marketable assets when obligations are due.

Based on the facts and representations set forth in your letter as summarized above, as well as the conditions outlined above, and without necessarily agreeing with all of your analysis, your request for permission under Rule 3-13 for the Company to file SAP financial statements, audited by an independent auditor, in lieu of GAAP financial statements in registration statements filed for the Contracts, as it relates to the accounting basis of those financial statements only and as described above, is granted.^{9 10}

If you have any questions regarding this letter, please call the Chief Accountant's Office of the Division of Investment Management at (202) 551-6918.

Sincerely,



Alison Staloch
Chief Accountant
Division of Investment Management

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

⁹ The staff notes that it would be receptive to considering applications under Rule 3-13 from other registrants seeking to file SAP financial statements in lieu of GAAP financial statements in registration statements filed for products similar to the Contracts described here, under circumstances similar to those described above.

¹⁰ Our analysis underlying this assurance has been developed in consultation with the staff of the Commission's Office of the Chief Accountant.

September 28, 2018

Ms. Alison Staloch
Chief Accountant
Division of Investment Management
United States Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549
stalocha@sec.gov

Re: Great-West Life & Annuity Insurance Company and Great-West Life & Annuity Insurance Company of New York

Dear Ms. Staloch:

I am writing on behalf of Great-West Life & Annuity Insurance Company ("GWLA") and Great-West Life & Annuity Insurance Company of New York ("GWLANY" and, together with GWLA, the "Companies") to request that pursuant to Rule 3-13 of Regulation S-X the staff of the Division of Investment Management (the "Staff") permit the Companies to file financial statements prepared in accordance with statutory accounting principles prescribed or permitted by its domiciliary state regulator ("SAP financial statements") in registration statements on Form S-1 for certain index-linked annuity contracts (the "Index-linked Contracts" or "Contracts") in satisfaction of the financial information required by Form S-1, including the requirements of Items 11(e), 11(f), 11(g) and 16(b) of the form.

As you know, by letter dated November 16, 2016 (the "2016 Staff Letter"), the SEC granted GWLA permission under Rule 3-13 of Regulation S-X to file SAP financial statements audited by an independent auditor, in lieu of financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP financial statements"), in registration statements on Form S-1 for certain insurance contracts (the "Lifetime Benefit Contracts") that provide guaranteed lifetime benefits. The Division based the relief primarily on precedent established by Forms N-4 and N-6, which permit insurance companies that would not otherwise produce GAAP financial statements except for filing in a registration statement on Form N-4 or N-6 to file SAP financial statements, and on the fact that GWLA offers variable annuity contracts registered on Form N-4 that include riders providing guaranteed lifetime benefits that are virtually the same as the Lifetime Benefit Contracts.

In July 2017, the GWLA filed registration statements on Form S-1 for two Index-linked Contracts that credit interest rates based on the performance of one or more securities indices. These registration statements were declared effective in December 2017.¹ GWLANY, a New York

¹Versions of the Index-linked Contracts designed for distribution through broker-dealer and registered investment adviser channels are registered at File Nos. 333-219410 and 333-219412, respectively. The Companies may offer different versions of the Index-linked Contracts in the future.

domiciled insurance company that is a wholly-owned subsidiary of GWLA, is in the process of developing and preparing a registration statement for substantially similar Index-linked Contracts that will be identical to the GWLA Index-linked Contracts except to the extent required to comply with New York law. The Companies now seek permission pursuant to Rule 3-13 of Regulation S-X to file SAP financial statements audited by an independent auditor in lieu of GAAP financial statements in the Form S-1 registration statements for the Index-linked Contracts. Because the Index-linked Contracts are insurance products subject to state regulation, the Companies believe that SAP financial statements will provide owners of the Index-linked Contracts with sufficient information to assess the issuing Company's ability to meet its contractual obligations, and that filing SAP financial statements in place of GAAP financial statements would be consistent with investor protection.

Relief permitting use of SAP financial statements in Forms N-3, N-4 and N-6 is intended to reduce the burden on insurance companies that otherwise would prepare GAAP financial statements solely to register variable products. But for the requirement to prepare GAAP financial statements for the Index-linked Contracts, both GWLA and GWLANY would be eligible to file SAP financial statements in registration statements for their variable insurance contracts registered on Forms N-4 and N-6 and under the terms of the 2016 Staff Letter, GWLA could file SAP financial statements in the GWLA Lifetime Benefit Contracts registered on Form S-1. Neither Company, therefore, would be required to prepare GAAP financial statements. Because preparing GAAP financial statements solely for use in registrations statements for insurance products imposes significant cost and administrative burdens on the Companies, relief permitting use of SAP financial statements in Forms N-3, N-4 and N-6 serves as a precedent for allowing the use of SAP financial statements in registration statements on Form S-1 for the Index-linked Contracts.

Furthermore, the time and cost of preparing GAAP financial statements solely for insurance contracts that must be registered on Form S-1 -- in this case, the Index-linked Contracts -- impedes offering of innovative products such as the Index-linked Contracts. Reducing this burden will likely increase the number of such products offered in the marketplace and broaden the choices of such products available to investors for retirement and other long term savings and investment purposes.

The Companies

GWLA is a stock life insurance company domiciled in the State of Colorado that is subject to regulation by the Colorado Department of Insurance. GWLANY, a wholly-owned subsidiary of GWLA, is a stock life insurance company domiciled in the State of New York that is subject to regulation by the Department of Financial Services of the State of New York. Both Companies are indirect wholly-owned subsidiaries of Great-West Lifeco, Inc. ("Great-West Lifeco"), a non-US diversified holding company that is publicly traded in Canada and prepares its consolidated financial statements in accordance with international financial reporting standards ("IFRS"). Great-West Lifeco files audited financial statements in its Annual Information Form (which is publicly available) and is subject to oversight by (among other entities) the Manitoba Securities Commission and the Canadian Office of the Superintendent of Financial Institutions. Because the Companies are wholly-owned subsidiaries of Great-West Lifeco, they prepare and maintain financial statements and records on an IFRS basis of accounting, and their performance is measured primarily on that basis of reporting.

GWLA prepares GAAP financial statements solely for the purpose of including them in reports required by the Securities Exchange Act of 1934 (the "1934 Act") that are incorporated by reference into registration statements on Form S-1 for the Index-linked Contracts and the Lifetime Benefit Contracts.² As a wholly-owned subsidiary of GWLA, GWLANY must prepare GAAP financial

²GWLA began filing reports under Section 15(d) of the 1934 Act in 1997 after it registered a fixed investment option with a market value adjustment (MVA) feature for its variable annuity contracts. GWLA stopped issuing interests in the MVA investment option in 2008.

information for consolidation with GWLA. Without the requested relief, GWLANY would also be required to prepare GAAP financial statements to file in a registration statement on Form S-1 for its proposed Index-linked Contracts. Neither Company has issued or has outstanding any publicly-traded equity securities (i.e. common stock or preferred stock); nor has either Company issued any publicly traded debt securities.

As insurance companies domiciled, respectively, in Colorado and New York, the Companies prepare audited SAP financial statements filed with the domiciliary state regulator and the National Association of Insurance Commissioners, which are designed to assist state insurance departments in the regulation of insurance company solvency. The ultimate objective of solvency regulation is to ensure that an insurance company can pay policyholder, contract holder and other legal obligations when they come due, and that the company maintains capital and surplus at all times and in such forms as required by statute to provide a margin of safety. With the objective of solvency regulation, SAP financial statements focus on the balance sheet, rather than the income statement, and emphasize the insurance company's liquidity.

GWLA is currently required to prepare GAAP financial statements solely for filing in connection with the Index-linked Contracts registered on Form S-1. GWLANY currently prepares GAAP financial information solely for consolidation with GWLA. Forms N-4 and N-6 under the Investment Company Act of 1940 ("1940 Act"), on which the Companies register their variable insurance products, each would permit the Companies to file audited SAP financial statements if they would not otherwise have to prepare GAAP financial statements in connection with SEC filings.³ Similarly, the 2016 Staff Letter would permit GWLA to file SAP financial statements in the registration statements on Form S-1 for the Lifetime Benefit Contracts. Consequently, except for the requirement to file GAAP financial statements in connection with the Index-linked Contracts, neither Company would have to prepare GAAP financial statements.

GWLA devotes significant resources to preparing GAAP financial statements for filing in connection with the Index-linked Contracts. GWLA estimates the cost of preparing its annual audited GAAP financial statements is approximately \$2,000,000⁴, which is primarily comprised of the cost of eight full time employee positions, actuarial systems required to calculate insurance reserves in accordance with GAAP, and the fees paid to the external auditors.

While GWLA currently files reports under Section 15(d) of the 1934 Act, both GWLA and GWLANY are eligible for the exemption from such filing requirement provided by Rule 12h-7 under the 1934 Act and will rely on the relief provided by the rule.⁵ After receiving the relief requested by this letter, GWLA will cease filing reports under the 1934 Act. As required by Rule 12h-7, both Companies are subject to supervision by the insurance regulator in their domiciliary state. GWLA and GWLANY each file a statement of their annual condition with, are supervised by and have their financial condition periodically examined by the Colorado Department of Insurance and the Department of Financial Services of the State of New York, respectively. In addition, as required by Rule 12h-7, the only SEC registered securities that either Company issues or proposes to issue are insurance contracts, subject to regulation under Colorado or New York insurance laws, as applicable. These securities do not and will not constitute an equity interest in the issuing Company and are not and will not be listed, traded or quoted on an exchange, alternative trading system, inter-dealer quotation system, electronic communications network or any other similar system, network or publication for trading or quoting. Because the Companies are eligible for relief provided by Rule 12h-7 to cease filing reports under the 1934 Act and will rely on that relief, they are not requesting any relief with respect to GWLA's current 1934 Act reporting obligations or any relief to file SAP financial statements in 1934 Act reports generally.

³See Form N-4 Item 23(b), Instruction 1 and Form N-6 Item 24(b), Instruction 1.

⁴This figure includes the cost of preparing GAAP financial statements for GWLANY.

⁵17 CFR 240.12h-7 exempts insurance companies from filing 1934 Act reports with respect to certain specified types of securities that are subject to state insurance regulation and are registered under the 1933 Act if certain other conditions are satisfied.

The Index-linked Contracts

The Index-linked Contracts offer contract owners the potential for higher returns than traditional fixed annuity contracts by assuming some market risk. Like variable annuity contracts, the Index-linked Contracts provide returns associated with the performance of the securities markets and, like the benefits provided by the Lifetime Benefits Contracts, also provide contract owners some protection against negative market performance. Owners of the Index-linked Contracts may select among interest crediting options linked to the performance of securities indices and among several different protection features for a stated term. These protection features may include floors ("Floors") that establish the maximum negative market performance to which the contract owner will be exposed or buffers ("Buffers") that establish how much negative market performance the Company will absorb before the negative performance is applied to the Contract. Each protection feature option has a corresponding cap ("Cap") that establishes the maximum positive market performance that may be credited to the Contract at the end of the stated term. Proceeds payable to a Contract owner who withdraws Contract value or surrenders the Contract before the end of the stated terms are adjusted according to a formula stated in the Contract that reflects the current market value of the options imputed in the formula used to calculate interest credited at the end of the stated term. In general, a Floor or Buffer that exposes the Contract owner to greater risk has a higher corresponding Cap and the potential for higher credited interest.

GWLA holds assets supporting the Index-linked Contracts – debt securities and derivative instruments that hedge the Company's exposure to positive and negative index performance -- in an insulated separate account, which is not subject to the claims of the Company's general creditors. GWLANY intends to establish a similar separate account structure, subject to approval by the Department of Financial Services of the State of New York. General account assets also are available to satisfy each Company's obligations under the Index-linked Contracts to the extent not covered by the assets in the separate account. The Index-linked Contracts credit interest based solely on the formula specified in the Contract. Owners of the Index-linked Contracts do not participate in the performance of assets held in the separate account, and the separate account, therefore, is not registered under the 1940 Act. Like the Lifetime Benefit Contracts, guarantees provided by the Index-linked Contracts ultimately depend on each Company's ability to fulfill its contractual obligations and, therefore, on each Company's solvency.

Request for Relief

Because the costs and administrative burden of preparing and obtaining an independent audit of GAAP financial statements for Commission filings required for the Index-linked Contracts are substantial and do not provide investors in those Contracts with material information beyond that available in SAP financial statements, the Companies request relief pursuant to Rule 3-13 of Regulation S-X to file SAP financial statements in lieu of GAAP financial statements in registration statements on Form S-1 for the Index-linked Contracts. Rule 3-13 of Regulation S-X provides that the SEC "may, upon the informal written request of the registrant, and where consistent with the protection of investors, permit the omission of one or more financial statements required by Regulation S-X or the filing in substitution thereof of appropriate statements of a comparable character." For the reasons stated herein, the Companies believe that SAP financial statements audited by an independent auditor⁶ are appropriate statements of a comparable character for the Form S-1 registration statements for the Index-linked Contracts.

⁶The independent auditor engaged to audit the SAP financial statements ("SAP audit") will be registered with and subject to inspection by the PCAOB, and the audit engagement with the Company will be subject to the independence standards of Article 2 of Regulation S-X.

SAP financial statements will provide investors in the Index-linked Contracts with sufficient information to assess the Company's ability to meet its contractual obligations

In July 2017, Chairman Jay Clayton publicly acknowledged that SEC's existing rules may require public companies to provide disclosure that is burdensome to produce, but is not material to the total mix of information available to investors, and that such requirements may be appropriate for relief under Rule 3-13 of Regulation S-X.⁷ The Companies believe that requiring the preparation of GAAP financial statements solely for inclusion in registrations statements on Form S-1 for the Index-linked Contracts presents such a circumstance.

Forms N-3, N-4 and N-6 used to register variable insurance products under the 1933 Act have long permitted the use of SAP financial statements in lieu of GAAP financial statements if the insurance company issuing the contract would not have to prepare GAAP financial statements except for use in registration statements on such forms. This exception from the general requirement to file GAAP financial statements first appeared in Form N-4 for variable annuities when the form was adopted in 1985⁸ and later also was incorporated into the Form N-6 for variable life policies, which was adopted in 2002⁹. When proposing Forms N-3 and N-4 for variable annuity contracts with instructions permitting the use of SAP financial statements, the SEC recognized that guarantees associated with annuity payments and other benefits provided by the contracts, which are backed by the insurance company's general account, depend on the solvency of the insurance company, and that contract owners, participants and annuitants who invest in the contracts may not want or need disclosure about the financial performance of the insurance company, but instead may be interested only in the company's solvency.¹⁰

Similar to owners of variable annuity contracts, owners of the Index-linked Contracts are most interested in financial information relevant to assessing the ability of the issuing Company to fulfill its contractual obligations. SAP financial statements are designed to provide precisely this type of information. SAP financial statements contain detailed information about an insurance company's balance sheet as well as its regulatory capital and surplus, which serve as financial cushions for paying policyholder claims. Furthermore, SAP financial statements enable state regulators to determine an insurance company's ability to meet policyholder obligations based on the availability of readily marketable assets when obligations are due. GAAP financial statements assist investors in understanding the Company's going concern value. Due to the absence of any secondary market in the Contracts, investors in the Index-linked Contracts do not need information regarding the Company's going concern value. Consequently, SAP financial statements will provide owners of the Index-linked Contracts with sufficient information to assess the solvency and the ability of the issuing Company to fulfill its contractual obligations. GAAP financial statements would not provide additional disclosure value to contract owners that justifies the significant costs and administrative burdens of preparing and auditing the additional set of financial statements.

The Companies are required to prepare GAAP financial statements solely for SEC-registered insurance contracts

Neither Company has issued nor has outstanding any publicly-traded equity or debt securities. But for the Index-linked Contracts registered on Form S-1, both Companies would be eligible to use

⁷Remarks of SEC Chairman Jay Clayton at the Economic Club of New York (July 12, 2017).

⁸Registration Forms for Insurance Company Separate Accounts that offer Variable Annuity Contracts (Adopting Release); Release Nos. 33-6588 and IC-14575 (June 14, 1985) ("Form N-4 Adopting Release").

⁹Registration Form for Insurance Company Separate Accounts Registered as Unit Investment Trusts that offer Variable Life Insurance Policies (Adopting Release) Release Nos. 33-8088, and IC-25522 (June 1, 2002).

¹⁰See Registration Forms for Insurance Company Separate Accounts that Offer Variable Annuity Contracts (Proposing Release) Rel. Nos. 33-6502 and IC-13689 (December 22, 1983).

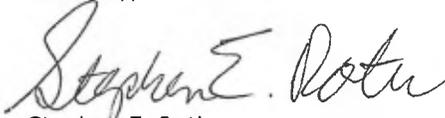
SAP financial statements in the registration statements on Form N-4 and N-6 for their variable products. In addition, under the terms of the 2016 Staff Letter, GWLA would be eligible to use SAP financial statements in registration statements on Form S-1 for the Lifetime Benefit Contracts, and GWLANY would be relieved from the requirement to prepare GAAP financial statements for consolidation by GWLA. When the SEC provided GAAP relief in Forms N-3, N-4 and N-6, it explicitly recognized alleviating disclosure burden as a legitimate reason to permit the use of SAP financial statements by insurance companies that would not have to prepare GAAP financial statements except for use in a registration statement for an insurance product.¹¹ Such relief is also appropriate for the Companies with respect to the registration statements on Form S-1 for the Index-linked Contracts, which are insurance products that are subject to state regulation. SAP financial statements would provide owners of the Contracts with sufficient information to assess the issuing Company's ability to meet its contractual obligations. Requiring the Companies to file GAAP compliant financial statements would not provide investors in the Contracts with additional information that justifies the significant costs and administrative burdens of preparing the financial statements.

Conclusion

For the reasons stated above, we respectfully request, on behalf of the Companies, that the Staff grant relief pursuant to Rule 3-13 of Regulation S-X that permits each Company to file SAP financial statements audited by an independent auditor in registration statements on Form S-1 for the Index-linked Contracts.

Thank you for your attention to this matter. Please contact me at 202-383-0158 or Lorna MacLeod at 202-383-0817 if you need additional information or have any questions concerning this request.

Sincerely,



Stephen E. Roth
Eversheds Sutherland (US) LLP

Cc: Paul Cellupica
William Kotapish
Harry Eisenstein

¹¹In the adopting release for Forms N-3 and N-4, the SEC stated "the use of statutory financial statements is permitted solely to relieve the disclosure burden upon this group of registrants and their sponsoring insurance company." See Form N-4 Adopting Release, *supra* note 8, at n.9.