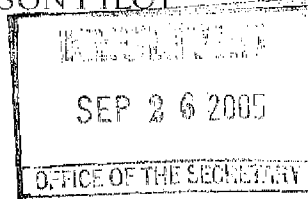




JEFFERSON PILOT



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September 13, 2005

Jonathan G. Katz, Secretary  
**SECURITIES AND EXCHANGE COMMISSION**  
100 F Street, NE  
Washington, DC 20549-9303

**Re: File Number SR-NASD-2004-183, Proposed Rule 2821, Member's Responsibilities Regarding Deferred Variable Annuities**

Dear Mr. Katz:

Jefferson Pilot Securities Corporation ("JPSC") appreciates this opportunity to comment on proposed NASD Rule 2821 regarding the responsibilities broker-dealers have for supervising variable annuity sales. JPSC is committed to helping ensure that variable annuities are recommended only to individuals who will benefit from the product's combination of insurance and investment features, and that representatives understand and fairly represent the product's costs and benefits. We appreciate the guidance the proposed rule attempts to provide with respect to suitability obligations for both representatives and firms. Such guidance helps us focus our resources and more efficiently supervise and train our representatives. We believe, however, that as re-proposed the rule would have some negative and unintended consequences for investors that could be avoided by narrowing the rule's applicability to qualified plans and subaccount reallocations.

**Application of the Rule to Qualified Plans**

The rule should not be applicable to individual participants of qualified plans. As currently proposed, the rule's suitability and principal review obligations are triggered if recommendations are made to individual qualified plan participants. If a recommendation is made whenever a representative suggests that a customer engage in a securities transaction, then representatives will essentially be prohibited from meeting with individual qualified plan participants without complying with the suitability documentation requirements contained in section (b) of the proposed rule. For each participant, section (b) would require representatives to create and sign a document indicating that the participant was informed of the material features of a variable annuity, has a long-term investment objective, has a need for the features of a variable annuity as compared to other investment vehicles, and that the variable annuity and the underlying subaccounts chosen are suitable. To avoid this additional work, many representatives will likely stop meeting with individual participants, and participants will no longer receive guidance when selecting from among the investment options offered. As concerns about social security mount and annual contribution limits to qualified plans continue to be loosened, the popularity of qualified plans grows. We find that qualified plan assets often represent the largest portion of a customer's portfolio. However, as currently proposed, Rule 2821 would discourage representatives who sell qualified plans from helping individual participants.

Jonathan G. Katz  
September 13, 2005

**Applicability of the Rule 2310 to Subaccount Reallocations**

The proposing release states that Rule 2310 is applicable to any recommendation made to reallocate assets among a variable annuity's subaccounts. To avoid potential complaints about the suitability of reallocation recommendations, representatives may choose to no longer monitor subaccount performance or recommend reallocations. Annuity owners will have to make future investment decisions themselves, or pay investment advisers to make reallocation decisions for them. This result, we believe, is contrary to what variable annuity customers generally expect - that registered representatives will monitor the performance of their variable annuities and periodically recommend reallocation of the assets. It may be logical to extend Rule 2310 to recommendations to reallocate subaccounts, but it will likely result in lower levels of service and higher costs for investors.

We appreciate your consideration in amending the rule with respect to recommendations made to qualified plan participants and the reallocation of assets within subaccounts.

Sincerely,



Michael W. Bourgfault, J.D., CLU  
Jefferson Pilot Securities Corporation