

Dear Sirs,

In response to rule 151A, I would like to make the following comments.

First, It is my opinion that Indexed annuities have been successful because the nature of the product meets the needs of the saving public. Indexed annuities are risk- adverse savings vehicles, they are not high-risk investment products where a consumers can lose his or her principal!

Next, Indexed annuities offer consumers important protections, namely: (1) the guarantee of premiums paid; and (2) guarantee of interest credited. Indexed annuities provide underlying interest guarantees required by state law.

Next, there is little difference in the risk to a policyholder for a traditional fixed annuity versus an indexed annuity. Under both forms of annuities, the policyholder is at risk to the insurer's annual interest rate declaration, whether it is an expressed percentage amount or a formula relating to changes in an index.

Next, the sales practices and suitability safeguards needed for index annuities are the same safeguards needed for all life and annuity products. The proper supervision needed for traditional fixed annuities, indexed annuities, and life insurance can be, and is being, performed according to state insurance department rules.

The results of the SEC's proposed rule will not be to benefit savers but to:

1. Reduce the number of agents who can offer a product that is beneficial to many savers;
2. Burden indexed annuities with unneeded additional expenses (for filing, regulation, and supervision), the cost which will be born by the savers;
3. Damage financially many individuals, small businesses, and smaller insurance companies; and
4. Give Broker/Dealers the ability to suppress a viable, valuable, and successful form of retirement savings which has and would continue to provide strong competition to those retirement savings offerings traditionally made by Broker/Dealers.

I urge you to reconsider this decision. The Indexed products help the average worker to gain an advantage in providing a retirement for himself and his family, whereas other methods have not always been successful.

Respectfully,

Edward A. Pickard
Licensed Insurance Agent and Public Accountant