



# Further Opposition to Rule 151A

## *Your Support in the Fight is Still Vital*

### **Included in this communication:**

Link to “Coalition Sues to Overturn SEC Annuity Rule” Article  
How to Identify and Contact Your Elected Officials  
Sample Letter to your Representative/Senator

## **Coalition Sues to Overturn SEC Annuity Rule**

By Arthur D. Postal  
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## **How to Identify and Contact Your Elected Officials**

### **Step One: Identify**

To locate your **Representative**, please go to:  
<http://www.house.gov/>

To locate your **Senator**, please go to:  
<http://www.senate.gov/>

### **Step Two: Contact**

You may also text members directly through the following links:

For the **House**, it is:  
<https://writerep.house.gov/writerep/welcome.shtml>  
Fill in the appropriate information and a contact form will be presented.

For the **Senate**, it is:  
[http://www.senate.gov/general/contact\\_information/senators\\_cfm.cfm](http://www.senate.gov/general/contact_information/senators_cfm.cfm)  
Fill in the required state information and click on the **Web Form** link.

**Please remember:** If you are unable to reach your elected officials, try speaking with their staff. Staff members can be instrumental in helping to shape the positions of their Representatives/Senators on important issues. With this in mind, also please treat staffers with the utmost respect, as you would your Representative or Senator.

[Date]

The Honorable \_\_\_\_\_ or The Honorable \_\_\_\_\_  
United States House of Representatives United States Senate  
Washington, D.C. 20515 Washington, D.C. 20515

**RE: Congressional Help in Overturning SEC Rule 151A**

Dear Representative/Senator \_\_\_\_\_:

I am writing to ask for your help on an important and urgent issue affecting Fixed Indexed Annuities (FIAs). As an insurance agent who offers FIAs to my clients, I am deeply troubled by the SEC's recent adoption of rule 151A which could have a devastating impact on my business and block availability of this important product to millions of consumers.

I ask for your help in taking whatever action is appropriate to prevent the SEC from moving forward with this arbitrary, unnecessary, and in my opinion, unlawful regulation. Unless Congress takes swift action to rein in the SEC, rule 151A will irreparably damage one of the best insurance products available today to consumers to protect and grow retirement savings.

As you may know, FIAs are annuities that earn interest based on a market index such as the S&P 500 but also provide guarantees so policyholders can never lose money if the market goes down. During the current market meltdown, FIA policyholders have not lost a penny because of market volatility. FIAs – which are already heavily regulated by state insurance commissioners - have grown very popular.

And yet, the SEC voted 4-1 to adopt rule 151A which will reclassify FIAs as securities products beginning in year 2011. The adverse effects of this rule cannot be overstated. Companies will need to spend millions to make superfluous SEC filings. Thousands of insurance agents who do not hold securities licenses will stop selling FIAs. Regulation of FIAs will be clouded by uncertainty as federal bureaucrats meddle with existing state insurance requirements. And worst of all, consumers will be confused and chased away from an outstanding retirement product just when they need it the most.

I am not the only one critical of this rule. SEC Commissioner Troy Paredes strongly opposed adoption of this rule for similar reasons. In an eloquent dissenting statement, Commissioner Paredes urged fellow commissioners to reject rule 151A because it is unnecessary and exceeds the SEC's authority. Commissioner Paredes concluded quite simply that FIAs are insurance, not securities.

Please help with this important issue. Even though the rule has a two year delayed implementation date, the reality is that the effects of rule 151A will be felt immediately. Selling FIAs will be much more difficult until this shadow is lifted. And businesses like mine will need to make long term decisions almost immediately and start suffering as our agents begin turning away from FIAs to avoid securities registration.

I ask that you contact the SEC, ask them to rescind this unnecessary rule, and join efforts within Congress to overturn 151A. Your help and attention are greatly appreciated.

Sincerely,

**John Q. Agent**

OM Financial Life Insurance Company, Baltimore, MD

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