



James S. Wrona
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August 10, 2007

Nancy M. Morris, Secretary
Securities and Exchange Commission
100 F Street, NE - 10th Floor
Washington, DC 20549-1090

RE: Proposed NASD Rule 2821 (SR-NASD-2004-183)

Dear Ms. Morris:

The Committee of Annuity Insurers (Committee), a coalition of 31 life insurance companies, filed a comment letter with the Securities and Exchange Commission asking, inter alia, whether the timing of principal review under proposed Rule 2821 would be impacted by a firm's status as a "captive broker-dealer." The Committee explained that a number of insurance companies share personnel with affiliated broker-dealers and have centralized units that may share personnel who are responsible both for the broker-dealer's principal review of the variable annuity application and for the insurance company's issuance process. The Committee seeks clarification that receipt of customer applications by broker-dealer personnel for principal review, even if those personnel share office space with and/or also work for the insurer, would not be considered "transmitted to the issuing insurance company for processing" under Rule 2821.

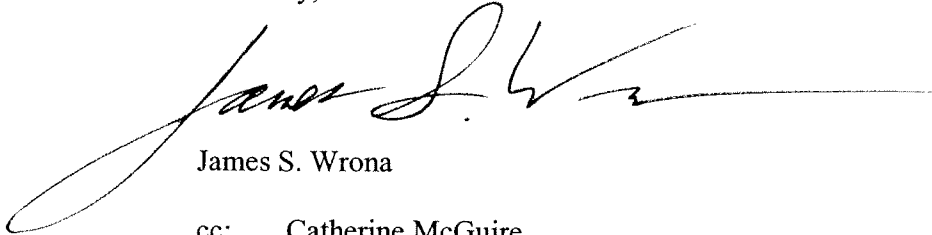
The main purpose of requiring pre-transmittal principal review is to have the principal approve or disapprove the application prior to the issuance of the contract. Ordinarily, the Financial Industry Regulatory Authority (FINRA), formerly known as NASD, would consider the application "transmitted" to the insurance company when the broker-dealer sends the application to the insurance company for processing, whether it is sent via electronic means, facsimile transmission, regular postal or overnight mail, or courier. The dividing lines can become blurred, however, where a captive broker-dealer and the insurance company share office space and/or employees who carry out both the principal review and the issuance process. In such situations, FINRA would consider the application "transmitted" to the insurance company only when the broker-dealer's principal, acting as such, has approved the transaction, provided that the affiliated broker-dealer ensures that arrangements and safeguards

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exist to prevent the insurance company from issuing the contract prior to principal approval by the broker-dealer.

If you have any questions, please contact me at 202-728-8270.

Sincerely,

A handwritten signature in black ink, appearing to read "James S. Wrona", with a long horizontal flourish extending to the right.

James S. Wrona

cc: Catherine McGuire
Lourdes Gonzalez
Dawn Jessen