



Via Email: pubcom@nasd.com

August 6, 2004

Barbara Z. Sweeney
NASD
Office of the Corporate Secretary
1735 K Street, NW
Washington, D.C. 20006-1500

Re: Request for Comment NTM 04-45
Proposed Rule Governing the Purchase, Sale or Exchange of Deferred Variable
Annuities

Dear Ms. Sweeney:

On behalf of InterSecurities, Inc. we wish to offer the following comments about the proposed rule regarding variable annuity sales described in NTM 04-45 (“the Notice”):

Disclosure and Prospectus Delivery

We are concerned with the requirement that broker-dealers would have to prepare a risk disclosure document for every variable annuity that the firm makes available to its representatives for sale. Most of the specific disclosure items outlined in the Notice are already described in detail in the prospectus. We believe customers would be helped more if the proposed risk disclosure document was integrated prominently into the front of the prospectus. Combining the risk disclosure document and the prospectus into one document, we believe, will increase the likelihood that customers will read both of these very important disclosures.

In addition, the proposed rule would place the responsibility of the risk disclosure document with the broker-dealer. We believe it is more appropriate for the insurance company to prepare such disclosure because they are in the best position to know what information to include and when to update it.

Furthermore, having the risk disclosures prepared by the insurance company issuing the variable annuity and incorporating them into the prospectus will provide customers with more consistent and uniform information. Knowing that many insurance companies sell their variable annuities through multiple broker-dealers, if each broker-dealer prepared their own disclosure document, there would very likely be inconsistencies in the way the same variable annuity's features are being described.

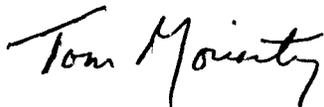
Principal Review

The Notice states that “deferred variable annuities are complex investment instruments” and that they “have many unique features that make them complex investments”. In addition, we believe the purchase of a variable annuity should always be considered a long-term investment.

Given the concerns that the NASD has expressed with the sale of variable annuities and the long-term nature of these investments, we believe that one business day is not sufficient enough time to allow for the type of thorough principal review contemplated by this proposal. We think it is more important that the rule focus on this kind of comprehensive principal review and approval and not require that it be done within one business day. We believe imposing such a strict timeframe would be counterproductive to the need to have principals analyze variable annuity transactions more thoroughly.

We appreciate the opportunity to comment on this proposed rule. If you wish to discuss this further, you can reach me at (727) 299-1837.

Sincerely,

A handwritten signature in black ink that reads "Tom Moriarty". The signature is written in a cursive, slightly slanted style.

Thomas R. Moriarty
President,
InterSecurities, Inc.