

Dear Ms. Barbara Sweeney:

I am a licensed insurance professional and variable product salesperson. I am writing to you because I object to the proposed disclosure and suitability standards contained in NASD's proposal to impose additional and REDUNDANT suitability and disclosure requirements on the sale of variable annuities. Rules governing oversight of this product are already in place. Additional disclosure requirements will provide no meaningful protection to consumers and have the potential to significantly impact my business. I would like to recommend you revisit this issue and withdraw the proposed suitability standards.

I firmly believe that people who engage in misleading sales practices should be AGGRESSIVELY prosecuted and subject to meaningful sanctions. However, your proposal would duplicate requirements that are already in place and would have the net effect of discouraging clients from purchasing Variable Annuities in instances where the benefits of the product are exactly the solution to the needs they have expressed.

NASD rules currently contain a general suitability rule that applies to all sales of securities, including variable annuities. If the goal truly is to protect consumers, appropriate enforcement of the existing suitability rule rather than adopting a new rule is the answer. Currently ALL variable annuity prospectuses, which are reviewed by the SEC, discuss the fees, risks and expenses associated with variable annuities. To require a separate "risk disclosure document" would single out the product as overly risky, which it is not, duplicate information already found in the prospectus and reduce the likelihood that consumers will read the most important source of information on the product -- the prospectus. Focus your efforts on getting consumers to carefully read the prospectus they receive.

The frequency of sales problems in the variable annuity marketplace does not call out for the adoption of more regulation. The proposed standards have all the earmarks of a solution in search of a problem. Once again, I believe all who mislead the public and practice unscrupulous sales practices, be prosecuted to the fullest extent. I also believe that this proposal unfairly singles out an excellent product and the PROFESSIONALS who sell it.

I most strongly urge NASD to withdraw the proposed rule. Thank you for your time and consideration of my views on this matter.

Sincerely,

R. Christian Myers  
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