From: Chris Milsom [chris.milsom.cqzg@statefarm.com]
Sent: Thursday, June 25, 2009 6:38 PM
To: Comments, Public
Subject: Proposed FINRA Suitability Obligation Changes

I am a licensed insurance agent with almost 20 years of experience and I am concerned as anyone about unsuitable sales practices that are misleading and harmful to consumers. Nonetheless, I cannot support the expansion of FINRA's suitability obligations to non-security products. Insurance and financial professionals are already regulated by a host of state and federal agencies some of which seem to contradict each other sometimes.

One example I am aware of is that in PA, when discussing annuity products, we are not supposed to initiate a conversation with a customer about the PA Guarantee Fund since that could be construed as influencing a customer's decision to purchase the product by implying the safety of the annuity, yet in MD, our agents are told they MUST tell customers about MD's Guarantee Fund.

Since the current economic crisis started, everyone has been looking for a way to prevent this sort of thing from happening again by passing more and more regulations. It seems to me that reports of some of the most egregious scandals, like the Bernie Madoff fiasco point to a breakdown of our current regulatory system and a need to perhaps clean house within the agencies that already exist to monitor and protect the public like the SEC, and the various agencies that are supposed to be regulating bank and investment companies.

I understand that President Obama is establishing an office that is supposed to try to coordinate all these various insurance, banking and securities issues. Perhaps that will be a more helpful direction.

Thank you.

Chris

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