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From: njclu@aol.com [<mailto:njclu@aol.com>]

Sent: Tuesday, June 23, 2009 6:40 PM

To: Comments, Public

Subject: Regulatory Notice 09-25

Lorne Hargis
64 Maple Avenue
Maplewood, NJ 07040-2667

June 23, 2009

FINRA - Financial Industry Regulatory Authority

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I am a licensed insurance professional and registered representative in many states in addition to my resident state.

Like most of my professional associates I am licensed for and write multiple products to help my clients as we work together to protect their income and strive for their financial security.

I read today about Regulatory Notice 09-25 which expands FINRA's regulatory oversight role to include products that are not defined as securities.

The way this is written leads me to believe that products such as long-term care, disability insurance, permanent life insurance, term life insurance and fixed annuities would be included under this regulation for suitability requirements. I strongly object to this expansion.

I have been in the business since 1976 and have successfully completed courses for the Chartered Life Underwriter (CLU) and Chartered Financial Consultant (ChFC) designations. I am also an active member of the National Association of Insurance and Financial Advisors (NAIFA). When dealing with clients ethics is the cornerstone of all presentations and sales made. Ethics is defined as doing the right thing when nobody is looking. I believe that agents and registered representatives who promote unsuitable sales and engage in misleading sales practices should be aggressively prosecuted and subject to meaningful sanctions under current regulations.

This proposal would create layers of additional and unnecessary regulatory requirements. And, as stated earlier, FINRA does not have jurisdiction over products

and services which are not securities and its authority should not be expanded to include non-securities products and services.

Under this proposal my broker/dealer would have to determine whether a disability income protection policy is suitable for a client. Is this really what is intended?

All of these aforementioned products, among others, are currently subject to comprehensive regulation by each state's department of insurance which has regulators that are more suited for this task. The application of FINRA rules to these products would most likely result in conflicting and confusing regulatory requirements which will detract from the goal of consumer protection.

It is my understanding that policymakers on Capitol Hill, in the Administration, the SEC, and FINRA, as well as others are currently debating issues concerning the standard of care which broker/dealers and investment advisors owe to their clients and considering whether such standards should be expanded or changed going forward. It would be inappropriate for FINRA to expand or revise current suitability requirements while this debate is underway, since further broader-scale changes may be made within a matter of months.

For the reasons stated above, I urge you not to expand FINRA's suitability obligations to include recommendations that do not involve securities.

Thank you for considering my views on this issue.

Sincerely,

Lorne Hargis
973-762-1689